



# Transit Funding Manual

Managing the Delivery of Transit Projects



MAY 2001

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To: Headquarters Division of Mass Transportation and Caltrans District Staff

The Caltrans Transit Funding Manual and the Technical Appendices are designed to assist the Department of Transportation (Caltrans) and local agency staff in managing the timely delivery of State funded local transit projects. Transit is a vital component of the California's overall transportation system. More than 1.1 billion of total transit passenger trips are taken annually within the state, and these trips result in significant economic, mobility, and environmental benefits. In this new millennium, major trends within transportation will include increased transportation partnerships, system demands, and changing demographics. In this light, California's vision for mass transportation must be focused to meet the needs of local agencies and the traveling public.

This manual attempts to provide a step by step transit funding process. Included in this manual is an overview of Caltrans Division of Mass Transportation, roles and responsibilities in assisting local agencies to deliver transit projects. Transit web site information is also provided for new planning staff and local fund recipients. This manual is not intended to eliminate the need for asking questions, searching for additional information, or interacting with your colleagues; but rather; it should be used as a quick reference guide that will assist you in providing more timely and efficient service to our customers and stakeholders.

Sincerely,

DAVID CABRERA  
Chief  
Division of Mass Transportation



# **MASS TRANSPORTATION**

## **CHAPTER 1 INTRODUCTION**

Chapter 1 contains background information on recurring themes, transit investment, and project delivery within California. This Chapter includes, purpose of the manual, the Department of Transportation (Caltrans) requirements, and the local agencies expectations in transit projects. The latter part of this section contains information on the roles and responsibilities and offices' of Caltrans' Headquarters (HQ) and District planning staff. An organization chart is also provided to illustrate the various districts that Caltrans has created within California to best serve its internal and external customers.

For further reference, a Technical Appendices is provided to assist you in the retrieval of supporting transit funding documents, guidelines, resolutions, and/or other materials. The Technical Appendices will be featured in a separate binder.

## **SECTION 1 BACKGROUND**

A recurring theme expressed at transit meetings has been to improve the communication between local agencies and Caltrans staff on transit funding and project delivery systems. California is facing the consequences of thirty years of under investment in its transportation systems. Increase in revenues which might have been used to increase system capacity were in fact negated by the effects of inflation, and the growing need of maintaining and repairing aging transportation systems.

Congestion has been the inevitable bi-product of increases in driving that have out-paced population growth, along with no increases in roadway capacity, no reinvestment in State highways, and local streets and roads on transit.

### **1.1.1 PURPOSE OF MANUAL**

The purpose of this manual is to assist local agencies, regional planning agencies, and Caltrans staff to implement local transit projects. The approach of this manual is four-fold:

- Provide a better understanding of the funding process.
- Training new Caltrans HQ/District management and technical planning staff who work on local agency transit projects.
- Serve as a training tool for planning staff involved with local transit projects.
- Provide general knowledge and a list of resources to learn more, either by talking to a Caltrans district staff member or by obtaining other manuals, guidelines and/or web site information.

#### **This manual contains four major Chapters:**

- Chapter 2 describes the funding programs and processes for allocating transit funds.
- Chapter 3 introduces the amendment process for Fund Transfer Agreement(s) for projects, i.e., the State Transportation Improvement Program. This chapter includes the new Master Agreement and Program Supplement processes.
- Chapter 4 introduces the processes for implementing the Governor's Traffic Congestion Relief Program (TCRP).
- Chapter 5 describes project management and oversight responsibilities, i.e., quarterly project reviews, invoicing, project closeouts, and accounting and auditing requirements.

#### **Caltrans Collaboration Efforts**

This manual is designed to assist the individuals involved in the delivery of California's transit projects and funding procedures. The processes require collaboration efforts, coordination, and cooperation with local and state government agencies at all levels, including:

- Local transit agencies

- Regional Transportation Planning Agencies
- Metropolitan Planning Organizations
- California Department of Transportation
- California Transportation Commission
- Federal Transit Administration

### **1.1.2 CALTRANS REQUIREMENTS FOR LOCAL AGENCIES IN TRANSIT PROJECTS**

California Senate Bill (SB) 45, passed in 1997, placing 75 percent of State Transportation Improvement Program (STIP) funds under the control of regional agencies. Accordingly, California's local transit agencies, Regional Transportation Planning Agencies, and Metropolitan Planning Organizations are responsible for the assessment, identification, planning, building, and operation of transit projects and systems within their jurisdictions. In order for the programming and funding processes to work efficiently, Caltrans and the California Transportation Commission (Commission) require the following:

- Regional Transportation Improvement Programs, completed according to the established guidelines and schedules
- Project Study Reports, Uniform Transit Applications, preliminary engineering documents, and completed planning studies
- Environmental and hazardous waste compliance for those projects that require it.
- Local Governing Board resolutions for transit projects
- Transit project management

### **1.1.3 LOCAL AGENCIES EXPECTATIONS FROM CALTRANS IN TRANSIT PROJECTS**

Local Agencies can expect Caltrans to:

- Expedite allocation approvals
- Provide more training on STIP requirements
- Work in partnership to program local transit projects in the State funding and agreement processes to get projects delivered in a timely manner.

## **SECTION 2 CALTRANS ORGANIZATION AND RELATIONSHIPS**

### **1.2.1 ROLES AND RESPONSIBILITIES OF HEADQUARTERS AND DISTRICT STAFF**

Caltrans works with local agencies as a partner and facilitator in expediting delivery of public transit projects. There are many activities and requirements that must be accomplished by the recipient agencies.

Caltrans Division of Mass Transportation (DMT) staff at Sacramento HQ receive the submittals from district staff; perform a review of the submittals; and make a recommendation to management for approval. If the documentation is incomplete, HQ staff will request additional information from the potential recipient(s) via assistance from district staff. HQ staff must ensure that all state requirements and concerns are resolved within the timelines set by programming and Commission schedules. The goal is to have the recipient begin a draw down of State funds within 60 days of the date of the Commission's allocation approval of State funds to a project.

HQ staff assists and provides technical support to district staff (as needed). It is incumbent upon HQ staff to inform District staff of all changes in program policies and procedures to effectively administer the transit-funding program.

Recipients of funds and services include transit operators, cities, counties and regional transportation planning agencies delivering urban and commuter rail, ferry, and bus transit projects.

#### **Offices' of State Transit Program Management and Project Delivery**

Planning and project management activities are performed for State funded transit projects by two offices located within the DMT, the Office of State Transit Program Management (OSTPM) and the Office of State Transit Project Delivery (OSTPD). These offices are staffed in Sacramento HQ, and provide staffing (Person Years (P.Y.) resources) and technical assistance to Caltrans districts.

OSTPM provides planning and project management assistance to local agencies to deliver state-funded transit projects contained in the TCRP. Customer service includes:

- Technical assistance to local agencies in the preparation of project applications and amendments for Commission approval
- Preparation and execution of Master Agreements

- Allocations, policy and procedure development, and other guidance
- Assistance provided to local agencies in meeting TCRP requirements to facilitate timely project delivery

OSTPD assists in supporting local, regional and statewide public transportation systems by administering:

- Rail, ferry, and transit improvement projects in a timely and effective manner.
- Processing requests for Commission and programming funding actions related to projects programmed in the STIP, Proposition 108 and 116 Bond Programs
- Execution of Master Agreements for transit projects

**District Planning Staff’s Role**

District Planning staff has the responsibility of working with local transit agencies in the review of:

- Uniform Transit Applications (UTAs)
- Facilitating the execution of Master Agreements
- Reviewing requests for Commission action such as allocations or time extensions
- Preparing and executing Program Supplements
- Project delivery monitoring and status reporting
- Preparing responses to letters and requests for information, and other technical assistance to facilitate timely delivery.

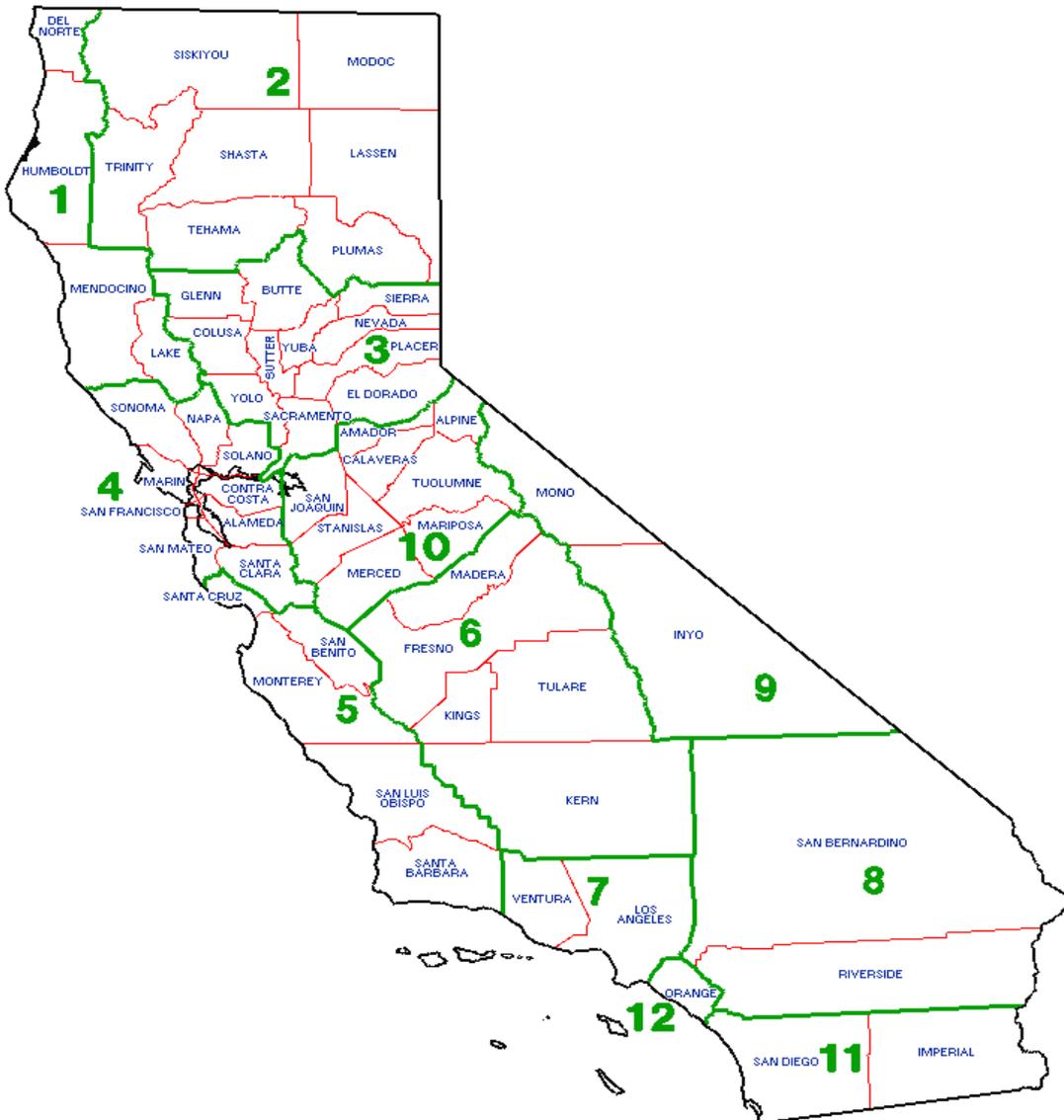
Caltrans District Planning staff work directly with responsible local agency recipients. Caltrans meets with local agencies before and after the project is programmed; provides the required technical assistance and reviews the submittals of information to get the projects processed through programming and the Commission. Caltrans staff have the responsibility of working with local agencies to obtain all materials necessary for allocation. It is important for district staff to ensure that all of the required documents are compiled before forwarding them to HQ staff for review and approval.

## 1.2.2 ORGANIZATION CHART

Caltrans is an organization consisting of over 23,000 people working in 12 geographic districts, and a HQ located in Sacramento.

### Caltrans Mission:

To improve mobility across California





## **CHAPTER 2 FUNDING PROCESS**

In the past there have been statewide concerns regarding delays in project delivery and the resultant large balance of transportation funds that are obligated but not spent. There have been large amounts of STIP funds programmed for local projects and local agencies have had some difficulty in delivering these projects on schedule. There has also been the inability of both urban and rural local agencies to deliver, on time, those federally funded projects that are outside of the STIP. This is a tremendous loss to local agencies and Caltrans that has led to a number of legislative laws passed by the legislature to combat these emerging problems.

Concerned with a large cash balance in the State Highway Account and delays in the delivery of locally funded transportation projects, Caltrans has been in the midst of a multi-year effort to make funding and project development processes more flexible and accessible to those using them. The changes, which are estimated by some local officials to have the potential of reducing project development costs by as much as 20 percent, have been aided by two pieces of legislation by Assemblyman Thomas Torlakson, Assembly Bill (AB) 1012 and AB 2928. The outcome of these efforts, which involved a partnership with federal, State and other local agencies, has been additional flexibility and cooperation between the agencies. In 1999-2000, the local agencies delivered 140 percent of the projects that were originally planned, reducing congestion and cutting into backlogs of aging and damaged facilities. Other measures that pertain strictly to State projects have the promise of producing positive results. In general, Caltrans' changes to its project development process lie in five (5) areas:

- The National Environmental Protection Act (NEPA) and California Environmental Quality Act (CEQA) issues
- Using federal dollars (for more flexibility)
- Better integration with permitting agencies

- Providing assistance to local agencies
- Easing cash flow

Among the measures adopted were several that flowed from Assemblyman Torlakson's follow-up legislation, AB 2928. For instance, local agencies may substitute State-only funds for federal funds, reducing the number of agencies involved in reviews of the projects and allowing the local agencies to comply with State environmental processes, rather than the more cumbersome federal ones. The State also put more resources to work in helping local agencies develop their projects. Local agencies, especially the smaller ones, are not regularly called upon to process projects that must comply with federal regulations. The result is that each project results in a kind of reinvention of the wheel; with State experts assisting them, the agencies are able to move more quickly and with greater efficiency.

The following information is an introduction to Chapter 2:

- Under Section 1 of Chapter 2, the funding process begins with specific procedures on Senate Bill (SB) 580 review process. The SB 580 review process requires the completion of an Agency Certification and a Project Certification. Caltrans staff conducts an analysis of the policies, procedures and performance standards, overall project financial plan, project development schedule, and the project management plan.
- Section 2 of Chapter 2, deals with the allocation of funds, amendments, waivers and time extensions. This section lists all of the programs that deal with local transit funding. An Allocation Procedures chart is provided to show the visual aspect or perspective of the allocation and fund transfer agreement process. There is information that will assist in the administration of local grant projects in the STIP. Other topics are Timely Use of Funds, STIP Guidelines, and Delegated Allocations by the Department. Included are the processes to complete applications/forms to handle local agency or allocation request packages. This section describes the agenda item approval process that is required to allow projects to be discussed with programming and Commission staff.
- Section 3 of Chapter 2, deals with HQ and District agenda item and time extension information and a section on "Commission Approvals of Project Allocation". The Commission has the authority to take two actions on projects submitted by local agencies. These actions are called project approval and funding allocation. Chapter 2 also highlights the Commission's intent and expectations in transit projects, including, Caltrans Administrative Actions on Preaward Audits and environmental and hazardous waste certifications, right of way review process, and the transfer of STIP funding through the use of federal agencies.

## **SECTION 1 SB 580 AGENCY REVIEW**

### **2.1.1 SENATE BILL 580 REVIEW**

Caltrans is required by Government Code sections 14085 – 14088 to assess the ability of a local, regional or State agency to effectively manage a specific project while meeting all State and federal laws and regulations. Included within this review is an assessment of the recipient’s ability to carry out the project as planned in a timely and cost-effective manner. A public agency responsible for developing a guideway project submits the following items to Caltrans for review and approval, prior to the implementation of any guideway project or project phase financed in its entirety or in part with State or federal funds:

- An overall project financing plan and the overall project development schedule; and
- The policies, procedures, and performance standards for such matters as the project’s management control system; public hearings; location studies, preliminary engineering investigations, and environmental impact studies; plans, specifications, and cost estimates; acquisition of rights-of-way and other related real properties; relocation assistance; contract provisions, bidding and awards, change orders, payments and audits, and contractor claims; and material and equipment testing.

The requirements of Government Code section 14085 apply to all phases of guideway project development and implementation, including “project planning, design, rights-of-way, construction, acquisition, or improvement of exclusive public mass transit guideways (and their related fixed facilities, power systems, passenger facilities, vehicles and equipment).”

Although an approval may be for the complete development of a project, approvals are ordinarily given for the receipt of funds from specific State allocations or multi-year funding commitments and for the receipt of funds from specific federal grants programmed formula funds, or multi-year full funding agreements. An approval may also be limited by project stage (e.g., for design but not for construction) or by geographical segment or other unit work.

The SB 580 Review begins with the pre-allocation process. The SB 580 Review is only one component of the project funding process.

#### **Split-Level Review Process**

The SB 580 Review process is divided into two phases: the “Agency Certification” and the “Project Certification.” This split-level review can avoid the need for repetitive in-depth reviews of the recipient’s overall policies, procedures, and performance standards

for each allocation. The Agency and Project Certifications can be done simultaneously, if the recipient is ready to submit all of the SB 580 Review information at one time. Both phases of the review are approved prior to the allocation of funds to a recipient and prior to completion of a Fund Transfer Agreement, or Master Agreement and Program Supplement. There are many activities and requirements that must be accomplished by potential recipients, Caltrans, and the Commission in order to provide State funds for the projects in a timely manner. In a timely manner is defined as a Commission allocation within 60 days of the request for allocation with the overriding goal being to provide funds to recipients without unnecessary delay to the implementation of any project due to State procedures.

### **Roles and Responsibilities of District Staff**

District staff work directly with potential recipients, meet with them soon after the project is programmed, provide them with assistance as needed, and receive the SB 580 Review submittals from them. It is important for district staff to ensure all of the required documents are compiled before forwarding them to HQ staff for review and approval; this submittal from the district to HQ starts the official 60-day timeframe.

### **Roles and Responsibilities of Headquarters Staff**

HQ staff receives the SB 580 Review submittals from district staff, perform a review of the submittals, and make a recommendation to management for approval. If the documentation is incomplete, HQ staff will request additional information from the potential recipient via district staff. The goal is to have the recipient begin drawing down State funds within 60 days of the date of the Commission allocation of State Funds to a project. In order for that to occur, a Fund Transfer Agreement or Master Agreement and Program Supplement must be signed within 30 days of the date of the Commission allocation of State funds to a project.

### **SB 580 Review Process**

There are two methods for evaluating a recipient for SB 580 Review. The most common method is a detailed review of the recipient's policies, procedures and performance standards, project management plan; project development schedule; and overall financial plan as described below.

The other method is to review the recipient's past experience. If the recipient has recently, successfully completed a comparable project of similar size scope that involved an environmental analysis, then this demonstrates that they have the necessary policies procedures and performance standards in place. The recipient should provide a written statement and a copy of the current project development schedule for the comparable project to staff verifying their experience. If approved, the recipient's experience will be accepted in lieu of the SB 580 Review.

## **Agency Certification**

The Agency Certification is a one-time review of the policies, procedures and performance standards of a potential recipient. This review can be done well in advance of the Project Certification to save time during the allocation approval process. The Agency Certification consists of the following components:

- Management Control Standards

Organization Plan – an organizational chart reflecting the reporting relationships between the board of directors (or governing board for public agencies), the executive officer, project manager and subordinates. The organizational chart (or separate chart) should show the accounting, auditing, and other administrative areas involved with the project.

Staffing Plan – a list of the recipient’s job classifications involved in the project and a description of responsibilities for each classification.

Accounting and Reporting Procedures – HQ staff will contact Caltrans Audits and Investigations staff for approval of the recipient’s accounting and cash management procedure to determine whether the recipient complies with guidelines established by the State Controller’s Office, and Federal cost principles as described in 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31.

Audits and Investigations staff should also verify whether the recipient has the following:

- An accounting system capable of accounting for all project costs; the capability to report project costs; the ability to track costs at a level sufficient to control the project; the ability to track contract costs separately; a method of distributing indirect costs to the project.

Internal Management Controls – the quality of a recipient’s internal management controls is a strong indicator of whether the recipient is likely to succeed on a project, and

Third Party Contract Audit Procedures – the recipient’s procedures for auditing third parties (subcontractors and suppliers) to ensure the funds are being spent appropriately during the construction phase of the project.

- Environmental Analysis:

Policies for public hearings and public participation, location studies, preliminary engineering and economic investigations, and environmental impact studies are required by either State or federal laws, depending upon whether federal funds are involved. Recipients are required to comply with the NEPA for federally funded projects. For State funded projects, recipients are required to comply with the CEQA. In addition, recipients must comply with the Public Meetings Act for both State and federally funded projects, and the following:

- Plans, Specifications and Estimates:

The recipient should have procedures for approving, plans specifications and estimates; and they should have a method for developing cost estimates.

- Property Acquisition and Relocation Assistance:

The recipient must be approved by Caltrans Right of Way Program, or use the services of an agency that has been prequalified by Caltrans to carry out right of way activities. The Right of Way Program also approves agencies on a project-by-project basis to carry out right of way activities, and sometimes will certify an agency for only a portion of the activities. Current policies require that an appraisal must be conducted before funding will be allocated by the Commission. The HQ Right of Way Program staff is responsible for ensuring that the recipient is either certified by them to do right of way acquisition, or to work with the recipient from the outset to negotiate for right of way acquisition.

HQ Right of Way Program staff should contact Right of Way Asset Manager to ensure the recipient is approved to carry out right of way activities and find out exactly what activities they are approved for.

- Contract Administration:

The recipient should have policies and procedures for all aspects of contract administration. Please see Federal Rules and Regulations, “49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.”

### **Project Certification**

The Project Certification consists of a project-specific review of the financial plan development schedule, and project management plan. The Project Certification can be for the total project, a phase of the project, or for a single allocation request. Caltrans prefers that the recipient apply for Project Certification for the entire project at one time if possible. The following explains the project-specific review process:

- **Overall Project Financial Plan** - the primary purpose of the overall project financial plan is to provide an assessment of whether the potential recipient has secured sufficient funds to deliver the proposed project. The SB 580 Review should provide an assessment of the project’s expected cost, estimated by the recipient and an evaluation of the certainty of the project revenues. The project financial plan should include a detailed breakdown of projected annual revenues by all sources of capital funds that will be used to finance the total project cost. This information should be broken out by prior, current, and future expenditures for the entire project. The financial plan may be stated in either constant dollars or escalated dollars. If it is

stated in escalated dollars, the reasons for selecting the particular escalation or inflation rates for revenues and costs should be stated.

- **Overall Project Development Schedule** - the primary purpose of the review of the overall project schedule is to assess the reasonableness of the recipient's estimated project completion date.
- **Project Management Plan** - the project management plan is a project-specific assessment of the capability of a recipient's staff, staffing levels and management organization to provide sufficient oversight of the review of a project to effectively monitor and deliver the proposed project. The primary objective of the review of the project management plan is to obtain a detailed explanation of how the recipient will control the project schedule and project costs.

### **Final Approval of Agency and Project Certifications**

After Caltrans staff conducts an analysis of the policies, procedures and performance standards; overall project financial plan; overall project development schedule; and the project management plan, staff prepares a written recommendation to the branch chief on whether or not the project should be approved. Upon approval of the project by the branch chief, staff prepares a letter to the recipient from the Senior Transportation Planner of Office of State Transit Project Delivery. This letter serves as official notification of approval by Caltrans of the policies, procedures and performance standards, overall financial plan, schedule of development, and project management plan.

### **SB 580 Waivers**

Government Code Section 14088 states, "For emergency conditions and for those minor improvement projects which are not interrelated to proposed projects of greater scope, the director may waive any or all of the requirements of Section 14084 when such action is in the public interest."

- A. Waiver Requested by Recipient – a potential recipient may request a waiver by letter to the Program Manager of the Division of Mass Transportation. The letter should include a brief description of the project, the project cost, and the circumstances justifying a waiver.
- B. Waiver originated by Caltrans – the Department may waive some or all of the requirements of the SB 580 Review if the guideway project funding application and other information available to the Department clearly indicate that a waiver is warranted. A minor improvement project, for purposes of a waiver, includes any guideway project that is not related to the development or construction of either a new guideway system or an extension of an existing guideway system. In determining whether waiving SB 580 requirements for a particular minor improvement project is in the public interest, the Department will consider factors as:

- Overall size and degree of complexity of the project.
- Past experience of the recipient and its present staff in managing projects of a similar type of complexity.
- The degree to which project implementation depends on funding that may not become available (e.g., federal discretionary funds that have not been committed or revenues from a sales tax that has not yet been enacted).

### **Feasibility Studies**

Waivers may or may not be approved for feasibility studies depending upon the scope of work and dollar amount involved, whether the study will be part of a larger project, whether the recipient already has an approved Agency Certification, and whether the recipient is experienced in the type of work being proposed.

A waiver will most likely be approved if the recipient has extensive experience in the type of work being proposed, the recipient has an approved Agency Certification, and/or if the scope of work and dollar amounts involved is insignificant. Under most other circumstances, waivers will not be approved for feasibility studies.

## **SECTION 2 ALLOCATION OF FUNDS, AMENDMENTS, WAIVERS, AND TIME EXTENSIONS**

### **2.2.1 Overview**

#### **State Funding for Transit Projects**

Many of the constraints on timely transit project delivery are tied to funding. Transit projects may receive funding from a variety of sources.

The local transit funding/programs are as follows:

#### **Proposition 116 Clean Air and Transportation Improvement Act**

Proposition 116 authorized state general obligation bonds to finance the preservation, acquisition, construction and improvement of rail, transit, bicycle and water-borne ferry projects in California. Caltrans reviews each application to insure it is an eligible project which has been received from an eligible grant recipient. Eligible projects include the acquisition, preservation, construction and improvement of:

- Rights of way for rail purposes
- Rail terminals and stations
- Rolling stock, including locomotives, passenger cars, related rail equipment and facilities

- Grade separations and other improvements along rail rights of way for rail purposes
- Other capital facilities necessary for rail service, including soundwalls
- The research, planning, construction, and improvement of exclusive public mass transit guide ways
- Paratransit vehicles, bicycle facilities, and water-borne ferry vessels
- Eligible applicants are local transportation planning agencies or agencies specified within Proposition 116.

**Transit Capital Improvement Program (TCI)**

The Transit Capital Improvement Program provided funding for development and use of transit systems to help reduce traffic congestion and improve air quality through a consistent monitoring program. This program was eliminated by the enactment of SB 45. Funds were made available pursuant to Subdivision (b) of Section 99315 and were appropriated to Caltrans for allocation, as directed by the Commission, to fund the following types of transit capital improvement projects:

- Railroad rights of way acquisition
- Bus rehabilitation
- Exclusive public mass transit guideways and rolling stock
- Grade separations
- Intermodal transfer stations serving various transportation modes
- Ferry vessels and terminals

Note: Allocation requests and time extensions for specified projects were processed in FY 2000. Also, some projects continue to be administered until close-out.

**Proposition 108**

This is the Passenger Rail and Clean Air Bond Act passed by the voters in June 1990, providing funds for commuter rail, urban rail and inter-city rail projects. Eligible routes and corridors are specified by statutes enacted by the legislature. Similar to the TCI projects, this program ended but projects continue to be administered to close-out.

**Flexible Congestion Relief (FCR) Program**

One of the former state programs for local or regional transportation projects to reduce congestion. State highway projects, roads and rail guideway projects were all eligible for FCR program. This program was abolished by the enactment of SB 45.

The following is an Allocation Procedures (Rail/Transit Projects) Flow Chart:



## **2.2.2 Procedures for Administering Local Grant Projects in the STIP**

### **Local Grant Project Procedures in the STIP**

Caltrans' "Procedures for Administering Local Grant Projects" in the STIP have been incorporated in the website "Caltrans Gets You There". These procedures are primarily for local highway projects and were completed to comply with changes to the programming and funding statutes brought about by SB 45, and have been replaced by the proposed procedures Caltrans issued for use on an interim basis in FY 2000. The procedures have been reorganized and edited significantly in response to recent comments and recommendations received while operating under interim procedures.

## **2.2.3 TIMELY USE OF FUNDS – CTC STIP GUIDELINES**

### **Timely Use of Funds**

Funds programmed for local transit projects are available for allocation only until the end of the fiscal year programmed in the STIP, as it may be amended. Whenever, programmed funds are not allocated within this deadline, the funds will be deleted from the STIP. The Commission will, however, adjust the share balance to restore the funds in the next county share period. At the request of a regional agency, the Commission may amend the STIP for project funding that has not yet been allocated, reprogramming the funding to a later fiscal year and thus postponing the application of these timely use of funds provisions.

SB 45 and Commission policy make funding available to local agencies as follows:

- For the non-construction phases of a project, funds are made available to the end of the fiscal year in which the funds are allocated, plus two additional years. This applies to funds for Environmental and Permits, Plans, Specifications and Estimates and Right of Way.
- For construction and vehicle purchase phases of a project, the local agency must have awarded a third party contract within one year from the date of the allocation. They are then given three years from the award date to complete the project.
- If at any time a local agency finds it cannot meet the deadlines set by law and policy, it may request the Commission to give it a one-time extension of up to 20 months, based on the actual time delays identified by the local agency.

## 2.2.4 DELEGATED ALLOCATIONS BY THE DEPARTMENT

### Delegation of Authority to Caltrans

All state and federal transportation funds received by the state, are appropriated by the legislature, usually through the annual Budget Act. The funds are budgeted in 3 broad categories:

- Capital Outlay (Caltrans' Right of Way and construction costs);
- Support (Caltrans' operating costs, including project development); and
- Local Assistance (state payments to local agencies).

Funds for capital outlay and local assistance are appropriated by the legislature subject to allocation by the Commission.

## 2.2.5 LOCAL AGENCY SUBMITTALS

### Allocation Request Package

Under Government Code Section 14085 and various CTC resolutions, Caltrans has additional review and approval responsibilities for rail/transit projects. In order for Caltrans to ensure that rail/transit project allocation funding requests are consistent with the project that was programmed, certain detailed information will need to be provided to Caltrans District staff by the local agency.

When the local agency is ready to proceed with the project, it submits an allocation package to Caltrans. (Note: If the regional transportation planning agency's governing board passes a resolution requiring their approval prior to submittal to Caltrans, the local agency shall provide written evidence of such approval on the Request for Funding Allocation.)

The allocation package prepared by the local agency should contain the following items:

**Request for Funding Allocation** - the letter should state the amount of funds being requested and address any changes to the project that was programmed, if any. If there are changes to a project, the local agency must submit a letter of concurrence from the regional agency before the request will be forwarded to the Commission. If the request is for State only funds, the letter shall state this.

**Project Description** - a description of the project for which the funds will be used. This allows the Caltrans to compare the project that is programmed to the project for which the funds are being requested and initiate the Fund Transfer Agreement or Master Agreement and Program Supplement upon allocation. The project description must be

the same or a STIP amendment or allocation amendment for Prop 116 may need to be requested.

**Scope of Work** - describes in detail what work will be done and what the estimated costs will be. If this is a partial allocation, prior and/or future allocations should be listed to end up with a total project cost estimate.

**Financial Plans** - details, by quarter, when the expenditures for these funds will be incurred:

- Breakdown the type and amount of funds, what items/components the funds will be expended on (i.e., environmental, preliminary engineering, right of way, construction, vehicles, etc.)
- Detail the local or federal funds that will be used in conjunction with these funds
- Detail any previously allocated funds on the project, including local and federal funds
- Detail any future funds planned for the project, including local and federal funds

**Delivery Schedule** - a chart or narrative detailing when planned work will begin and end.

**Right of Way** - if right of way will be purchased, documents should include the following:

- The number of parcels being purchased using the requested funds
- The names of the current owners(s)
- Current use of the land
- For non-operating rail right of way under \$2 million, submit an estimate of the cost, per CTC Resolution #G-95-09
- For non-operating rail right of way over \$2 million or operating rail right of way, regardless of the amount, submit an appraisal, per CTC Resolution #G-95-09
- Hazardous Waste Indemnification Resolution, signed by an authorized representative of the agency or their Board stipulating:
- That the agency will exercise due diligence and identify hazardous materials, and provide, at the seller's or buyer's expense, clean-up and remediation of hazardous materials present on or below the parcels;
- That the agency agrees that no State funds would be sought for clean-up, damages or liability costs associated with the hazardous materials; and
- That the agency shall indemnify the State of existing and future liabilities that may result from the hazardous materials. Per CTC Resolution #G-91-2.

When the local agency is ready to proceed with the project, it submits an allocation package to the Caltrans District staff. Once the district reviews the package, it forwards the package to HQ, OSTPD. Districts and the local agencies must follow the timelines for submission as outlined in the CTC Monthly Activity Schedule. The purpose of the

allocation package submittal is to provide the Commission and Caltrans enough information to make an informed decision.

The Department must ensure that the local agency has the resources/capabilities to implement the project in a timely manner, monitor the progress being made, and that the funds requested are in fact for use on the project as programmed in the STIP. The allocation package is also used by Caltrans to prepare the Master Agreement or Program Supplement, and perform the SB 580 project review.

The time spent to review and process the allocation information is needed to avoid unnecessary delays. Presently, the OSTPD has modified the allocation request forms to improve the quality of the product and prevent future or unnecessary delays in processing the request forms for allocation approval by the Commission.

The following are the most recent CTC Allocation Request, District Agenda Item Information Checklist (Allocation Request Only) with instructions on how to fill out the forms, and the Waiver/Time Extension Request form to be used when districts submit allocation and extension request packages to HQ for processing:

### **CTC Allocation Request**

The following is the "CTC Allocation Request" Form that is used to request allocation approval through the Commission:

**CTC ALLOCATION REQUEST**

Allocation Amount (this request): 1 \_\_\_\_\_

Full or Partial Allocation: 2 \_\_\_\_\_

AB 872 Reimbursement Allocation: 3 \_\_\_\_\_

CTC Meeting Date (month/Year): 4 \_\_\_\_\_

District Contact / Phone #: 5 \_\_\_\_\_

Headquarters Contact / Phone #: 6 \_\_\_\_\_

Project Title: 7 \_\_\_\_\_

8 PROGRAM INITIATING THIS REQUEST (Circle One):

MASS TRANS       INTERCITY RAIL       LOCAL PROGRAMS

9 PROJECT TYPE (Place "X"):

RIP       IIP       P116       TCI

Table I: Recipient Information	
Recipient Agency: _____	Legislative District Numbers _____
Recipient (if different from above): _____	Senate: _____
CT District/County: _____	Assembly: _____

Table II: Current Request by Component	
PA & ED:	
PS & E:	
R/W:	
Construction:	
Vehicle Purchase/Rolling Stock:	
<b>TOTAL</b>	<b>\$0</b>

Table III: Project Specific Information	
Bond Certification Request to HQ Budgets (Date):	HQ to enter
HQ Budgets Approval of State Only funds (Only):	HQ to enter
Amount of Local Match (if required):	
Environmental Compliance (Type/Date):	
Anticipated 3 <sup>rd</sup> Party Contact Award (Date):	
Anticipated Completion (Date):	
Hazardous Waste Indemnification (Reso #/Date):	
Federal Transit Administration (FTA) Grant #:	

Table IV: Project Funding Summary (Current Request)			
Expenditure Authorization (EA) Number:	HQ to enter		
STIP Number (PPNO):			
STIP Programmed Amount:			
STIP Programmed Year:			
Program Fund Source:			
Proposition 116			
Public Utility Code (PUC) Ref. #:			
Project Approval (PA) #, Date, Amt. (Note concurrent PA if applicable)			
RIP/IIP funds { State Adm. Federal (STP) / State Highway Acct (SHA) }			
Public Transportation Account (PTA)			
Other (i.e. General Fund...)			

Table V: Detail of Funding Sources				
	Prior	Current	Future	Total
<b>STATE</b>				0
Proposition 116				0
State Administered Federal Funds (STP)				0
State Highway Account (SHA)				0
(PIA) Public Transportation Account				0
Other				0
<b>STATE funds</b>	\$0	\$0	\$0	\$0
<b>LOCAL Funds</b>				0
<b>LOCAL FEDERAL Funds</b> (i.e. RSTP, CMAQ, 5309...)				0
<b>TOTAL PROJECT COST</b>	\$0	\$0	\$0	\$0

## **CTC Allocation Request Information Summary Instructions**

### **General**

The Allocation Request Information Summary (Summary) was developed to contain the required programming and financial elements whenever a Recipient Agency requests its project to be approved for financial vote by the Commission.

The Summary is prepared by the responsible District, with assistance from the HQ, Office of State Transit Project Delivery (OSTPD), as appropriate. Together with the Summary, a District Agenda Item Information Checklist (District Checklist) should be submitted by District to HQ to ensure that the project has been reviewed for completeness and consistency. The District Checklist will provide the minimum information, however, in some cases HQ may require additional documentation.

### **Allocation Request Package**

The District is primarily responsible for reviewing and recommending a project for allocation. It is important to recognize that the grant recipient is requesting for funds to carry out a project that was already identified. The reviewer needs to make sure that the funds are available; conditions required with the funding program are met; and the funds will be used for the same purpose for which it was programmed.

When the District submits an allocation request package to HQ, it should contain:

- Cover Letter from District Office
- CTC Allocation Request Information Summary
- District Agenda Item Information Checklist (Allocation Request Only)
- STIP Page identifying the project as programmed
- TCI Fact Sheet, or Project Approval (PA) Resolution, or Section of the Budget Act Authorizing the Funds
- Letter of Request from the Recipient Agency
- Project Description
- Scope of Work
- Financial Plans (Includes Overall Funding Plan and Cash Flow Expenditure and Reimbursement Plan by Quarter)
- Project Development/Delivery Schedule
- Project Management Plan
- Documentation of Local/Regional approvals
- Environmental Documents, if applicable
- Hazardous Materials Indemnification, if applicable
- Right of Way Approval Letter, if applicable
- Completed and Signed Bond Questionnaire, if applicable

It is recommended that the District work closely with its HQ Liaison to provide the documentation that is not readily available. Sometimes HQ maybe the best resource for programming documents like STIP Page, TCI Fact Sheet, PA Resolution, etc.

### **Deadline**

Check the CTC Meeting Date Schedule for specific deadlines.

### **Allocation Request Information Summary (Summary) Description**

The District reviewer will complete all sections of the Summary unless otherwise noted.

- ① **Allocation Amount (this request)**  
Enter the amount of request at this time.
- ② **Full or Partial Allocation**  
Indicate whether the funds requested is a partial or full allocation against the programmed amount. The allocation is considered “Full” if the amount requested is the total programmed amount in the STIP (under one specific PPNO) for the project or specific phase of the project. “Partial” if the request is only a portion of the total programmed amount.
- ③ **AB 872 Reimbursement Allocation**  
Enter the amount if the Recipient Agency is requesting an approval of advanced expenditure of Local/State funds. *(This is a new legislation that took effect on January 1, 2000. The Recipient Agency must specify the AB 872 reimbursement allocation in its letter. Check the AB 872 Guidelines for program requirements.)*
- ④ **CTC Meeting Date (Month/Year)**  
Enter the Month/Year of the CTC Meeting in which the Recipient Agency is requesting an allocation.
- ⑤ **District Contact/Phone #**  
Identify the District Reviewer and phone number.
- ⑥ **Headquarters Contact/Phone #**  
Identify the HQ Liaison and phone number.
- ⑦ **Project Title**  
Indicate the title of the project. Use the STIP for identifying the correct project title. If the title is different from the STIP, attach a letter from the Recipient Agency requesting a title change. Since many projects have multiple funding sources and programming years, be sure the Recipient Agency includes all STIP numbers, and project titles as they appear in the STIP, to be changed.
- ⑧ **Program Initiating This Request**  
Choose between Mass Transportation, Intercity Rail or Bicycle Program.

⑨ Project Type

Mark “X” for the appropriate project type.

Regional Improvement Program (**RIP**): If funds are from the State Administered Federal (**STP**) funds or State Highway Account (**SHA**)

Interregional Improvement Program (**IIP**): Use only by Intercity Rail Program

Proposition 116 (**P116**): If funds are Prop 116.

Transit Capital Improvement (**TCI**): If funds are from the Public Transportation Account (PTA) and Commission has previously approved the project from TCI Program.

**Table I: Recipient Information**

**Recipient Agency:** Identify the entity requesting the funds. Use the STIP for identifying the “Recipient”.

**Recipient (If different from above):** If Recipient Agency is different, include a resolution or letter from agency requesting transfer of applicant status, and a letter of acceptance from the new recipient. If neither the new or previous recipient are the Regional Transportation Planning Agency's (RTPA’s), a concurrence letter from the RTPA is required.

**CT District/County:** Identify the Caltrans District Office and the County(ies) in which the project is located. If the project involves several counties, indicate all the involved counties and each county share in the funding. This information should be provided by the local agency and must consistent with the programmed STIP amount.

**Legislative District Numbers:** Identify the Senate and Assembly district(s) in which the project is located. (Refer to the Legislative and Senate listings.)

**Table II: Current Request by Component**

Identify, by project component, the amount of funds requested at this time. Use the STIP for identifying the programmed component and amount. The project components are:

- Project Approval and Environmental Document (PA&ED), also referred to as Environmental Studies and Permits (E&P);
- Plans, Specifications and Estimates (PS&E);
- Right of Way (R/W);
- Construction; or,
- Vehicle Purchase/Rolling Stock.

The CTC STIP Guidelines combines the Construction/Vehicle Purchase as one component when programmed in the STIP. For purposes proper identification in the Summary, it was separated because Vehicle/Rolling Stock purchase MUST be federalized.

**Table III: Project Specific Information**

**Bond Certification Request to HQ Budgets (Date):** If applicable, this will be completed by HQ staff. This is the date in which the Tax Compliance Questionnaire was sent to HQ Budgets Program.

**HQ Budgets Approval of State Only Funds (Date):** If applicable, this will be completed by HQ staff. This is the date in which the State Only funding, requested directly by the Recipient Agency, was approved by HQ Budgets Program.

**Amount of Local Match (if required):** If local match is required, enter the amount of local match

**Environmental Compliance (Type/Date):** If applicable, indicate the type and approval date of environmental documents.

**Anticipated 3<sup>rd</sup> Party Contract Award (Date):** Indicate the anticipated date of contract award to 3<sup>rd</sup> Party for the project component funded by this allocation. For construction component, the project should be awarded within 12 months when CTC approved the allocation. For preliminary engineering and design over \$75,000, refer to the Preaward Audit Requirements of HQ Audits.

**Anticipated Completion (Date):** Indicate the date on which the project, or phase of the project funded by this allocation, will be completed. Use the project development schedule for reference.

**Hazardous Waste Indemnification (Reso #/Date):** If this allocation is for R/W, the Recipient Agency must include a resolution indemnifying the State from any hazardous waste cleanup costs. (Refer to CTC Resolution G-91-2 for further information.) Indicate the local resolution number and approval date.

**Federal Transit Administration (FTA) Grant #:** If this allocation is for Vehicle/Rolling Stock Purchase, the CTC requires the Recipient Agency to obtain a tentative federal grant number from FTA prior to requesting an allocation to facilitate the transfer of funds between FHWA and FTA. (Refer to CTC STIP Guidelines, Section 26, Federalization of Transit Projects for further information.)

**Table IV: Project Funding Summary (Current Request)**

**Expenditure Authorization (EA) Number:** This will be completed by **HQ** staff.. This number is sometimes available in the STIP document. (Note to HQ staff: Verify the EA with North:

**STIP Number (PPNO):** Enter the appropriate PPNO number in which the project was programmed in the STIP. If this is a partial allocation, a new PPNO may be assigned. (Note to District: Contact your District Programming for a new PPNO.)

**STIP Programmed Year:** Enter the FY in which the project was programmed in the STIP.

**Program Fund Source:** Enter the requested amount by funding source(s) using the categories below:

**Proposition 116:** Approved for Proposition 116.

***Public Utility Code (PUC) Ref #:*** Enter the PUC Section that identifies the eligible Recipient and/or Project. Refer to PUC Division 10, Part 11.5, Chapter 3, Grants for further information.

***Project Approval (PA) #, Date, Amt. (Note concurrent PA, if applicable):*** Enter the CTC PA #, date of the stamped CTC Resolution, and the approved amount. If this allocation has a concurrent PA, note pending PA approval.

**RIP/IIP Funds:** Approved for the State Administered Federal funds from the Surface Transportation Program (STP) and State Highway Account (SHA)

**Public Transportation Account (PTA):** Approved from the TCI Program

**Other:** Approved from other sources like the General Fund.

**Table V: Detail of Funding Sources**

This table should provide the project’s total funding plan including prior, current, and future allocations. Sources of funds include State, Local, and Local Federal funds. This table should match the Recipient Agencies financial plans submitted with this request.

## SECTION 3 FUNDING THE PROJECT

### 2.3.1 Preparing the CTC Agenda Item

#### Preparing the CTC Agenda Item

The OSTPD is responsible in bringing forward local agency requests for Commission action. These requests include but are not limited to STIP amendments, Prop 116 project approval and amendments, funding allocations, time extensions, and technical changes.

The Commission Activities Schedule sets the deadline for submitting local agency agenda requests to the Department monthly. When received in Caltrans HQ, OSTPD staff reviews the package to ensure completeness and identify potential issues. Agenda request packages are distributed for review to various Caltrans HQ Programs, such as Budgets, Transportation Programming, Office of the Commission Liaison and the Commission. A Department Preliminary Transit Meeting is held to discuss issues and questions related to the local agency requests. This meeting is an opportunity for various Caltrans HQ Programs to ensure that the requests are in accordance with the appropriate Commission guidelines and provide viable solutions to issues. Following the Preliminary Transit Meeting is the Final Meeting. This meeting is the opportunity for the Commission to ask questions, clarify and request additional information as necessary. OSTPD staff is responsible for preparing the final agenda language and book items for inclusion in the monthly meeting.

#### Agenda Items and Submittal Requirements

The following are a composite of samples of the Agenda Items that are listed by an agenda item number and program type in accordance with the local agency requested projects. These items are taken from the local agency request packages by HQ, OSTPD staff, discussed in OSTPD/Programming meetings, and sent to Transportation Programming for final review and approval:

#### 2.1a STIP Amendment for Action

These are STIP Amendment requests that were placed for Notice (2.1b) at the last Commission meeting.

##### **Submittal Requirements:**

- None Required.

#### 2.1b STIP Amendments for Notice

With certain exceptions, these are local agency requests to program, reprogram, delete, or change a project programmed in the STIP.

**Submittal Requirements include, but not be limited to:**

- Completed STIP Amendment Request Form
- Letter from the Implementing Agency/Responsible Agency clearly identifying the programming change and full funding for the project.
- Concurrence letter from the RTPA.
- Completed Project Nomination Fact Sheet, including the PPNO, EA and location map(s)
- Completed 2000 STIP Nomination Funding Sheet.

**Sample Agenda Language****San Bernardino Association of Governments (SANBAG)**

SANBAG is requesting a STIP amendment to program \$610,000 from its unprogrammed balance to the Southern California Regional Rail Authority (SCRRA) for the San Bernardino Line Sidings Rail Project. The project is for the construction of the Marengo and Fremont sidings on the SCRRA San Bernardino Rail Line. SANBAG is also requesting that the \$610,000 be State-only funds and the recipient be SCRRA.

**2.1d Proposition 116 – Non-Urban County Project Approvals/Amendments**

Local agency requests seeking approval for a NEW eligible project or AMENDMENT to current Non-Urban County Transit Project Application.

**Submittal Requirements include, but not be limited to:**

- Letter from Agency requesting approval of the new/amendment project application.
- Concurrence Letter from the RTPA supporting the new/amendment project.
- Completed Non-Urban County Transit Project Application as required per G-95-22.
- If amendment, copy of prior Project Approval.

**Sample Agenda Language**

City of Oroville – Project Approval Amendment to delete \$39,255 in cost savings from the Park and Bus Facility Project approved under Resolution PA-98-25 and reprogram the \$39,255 in cost savings to a new Pedestrian Improvements Project. (Concurrent Allocation under 2.6b and Allocation Amendment 2.6e)

**2.6b Local Proposition 116 Non-Urban Counties Program Projects**

Local agency requests to allocate funds for an approved project. Local Agency may request concurrent allocation with project approval/amendment.

**Submittal Requirements for an Approved Project include, but not be limited to:**

- Completed Allocation Summary Sheet
- Completed Bond Questionnaire
- Completed Allocation Request for Non-Urban County Transit Project as required per G-95-22.
- Letter from agency requesting allocation of Proposition 116 funds.
- Right of way approval letter, if allocation includes right of way purchase.

**Submittal Requirements if request is concurrent with 2.1d (PA Amend) and 2.6e (De-allocation of Cost Savings) include, but not be limited to:**

- Completed Allocation Summary Sheet
- Completed Bond Questionnaire (Only 1-copy required by Budgets. Please flag.)
- Letter from Agency requesting allocation of Proposition 116 funds.
- Project Description/Scope of Work (Make a copy from the PA Amend submitted in 2.1d)
- Financial Plan (Make a copy from the PA Amend submitted in 2.1d)
- Project Delivery Schedule(Make a copy from the PA Amend submitted in 2.1d)
- Right of Way Approval Letter, if allocation includes Right of Way purchase.

**Sample Agenda Language**

Nevada County – Purchase five (5) CNG buses – PPNO 0852; EA TO376A.

Full Allocation. Allocate \$524,597 of Prop 116 Bond funds to Nevada County for the purchase of five (5) buses.

(Concurrent Project Application Amendment under Item 2.1d; Allocation Amendment under 2.6e; PA-\_\_-\_\_ Pending)

**2.6c STIP Rail/Transit IIP/RIP Project Allocations**

Local agency requests to allocate funds currently programmed in the STIP. Project must be in the STIP or concurrently being approved for Action.

**POINTS TO REMEMBER:** Allocations for right of way acquisition or construction will be made only after documentation of the required environmental clearance for the project. If State funds are being requested for right-of-way purchase, approval from HQ Right of Way is required prior to allocation.

Concurrent with the request to allocate the funds, agencies can also request to shift funds between project components as long as programmed amount does not change. This is current practice, but the Commission may disallow this in the future.

Also note that Agencies may request an allocation in advance, if a project or project component is ready for implementation earlier than the fiscal year that it is programmed in the STIP.

**Submittal Requirements include, but not be limited to:**

- Completed Allocation Summary Sheet
- STIP Page (from CTIPS) identifying the project. If allocation request is concurrent to STIP for Action, note the STIP Number.
- Letter of Approval for State-Only Funding, if State-Only.
- Copy of the Federal TIP and Federal Transit Administration Grant #, if federalized.
- Letter of Request from Local Agency
- Project Description
- Scope of Work
- Financial Plan
- Project Delivery Schedule or Milestone Schedule
- Project Management Plan, if applicable
- Right-of-Way Approval Letter, if applicable

**Sample Agenda Language**

San Diego Metropolitan Transit Development Board (MTDB) – Mission Valley East Corridor – PPNO 8040L, EA R784SA. Full Allocation. Allocate \$41,318,000 in 2000-01 STP funds to MTDB to extend the 5.9 mile Mission Valley East Light Rail Transit Line. This extension will close the remaining gap on the San Diego Trolley system between Mission San Diego Station, located just east of the Interstate 15, and Grossmont Transit Center, in the City of La Mesa.

**2.6d Financial Allocation for Multi-Program Funded Project**

Local agency request to allocate funds for Multi-Program funded project.

**Submittal Requirements:** Same as 2.6c, STIP Allocation. To show other fund sources, this may include copies of Budget Act authorizing funds, Project Approval if Prop 116, AB 2928 if TCRP, etc.

**2.6e Local Project Allocation Amendments**

Local agency requests to:

- Expand/reduce the current project scope without changes to the amount allocated and no additional STIP funds are being requested to fund the project. If additional STIP funds are requested, then it is a STIP Amendment.
- De-allocate Prop 116 cost savings and reprogram those savings to an eligible project.

**Submittal Requirements for Allocation Amendments other than De-allocation include, but not be limited to:**

- Letter of Request from the Responsible Agency.
- Concurrence Letter from the RTPA supporting the amendment.
- If the project has a lot of history and complex, OSTP staff needs to prepare a Project Fact Sheet. The Fact Sheet should identify the issue and provide a clear background of the project.

**Sample Agenda Language**

Los Angeles County Metropolitan Transportation Authority (LACMTA) – Glendale Transportation Center –

Request to delete future construction of 300 parking spaces on the excess land as part of the Glendale Transportation Center (GTC) and use the excess land to construct a bus maintenance and fueling facilities. No change in the amount of funds allocated.

**Submittal Requirements for De-Allocation of Prop 116 funds include, but not be limited to:**

- Completed De-Allocation Summary Sheet
- Letter from Agency stating 1) why the action is needed; 2) is the project complete and closed out; and, 3) identification of new project, if applicable.
- Copy of the approved CTC Resolution that allocated the funds
- Revised Financial Plan

**Sample Agenda Language for Prop 116**

Nevada County – Deallocate \$18,354 in cost savings from transit vehicle project originally approved for \$280,792, for a revised total of \$262,438.

(Concurrent PA Amendment under 2.1d and Allocation under 2.6b)

Resolution BFA-\_\_-\_\_, Amending Resolution BFP-98-17

**2.8a Request to Extend the Period of Project Allocation**

**Sample Agenda Language**

City of Porterville – Porterville Intermodal Transit Facility – PPNO 9614

The City of Porterville requests a 20-month time extension for project allocation of \$611,000 in STIP funds programmed for FY 99/00 to February 28, 2002 due to pending approval of the Federal Transit Administration of its 5311 grant application. On February 1, 2000, the City submitted the 5311 grant application for this project and to date has not received an authorization to proceed.

**2.8b Request to Extend the Period of Contract Award**

**Sample Agenda Language**

San Francisco Bay Area Rapid Transit District (BART)– Fruitvale BART Parking Structure Project, PPNO 2106. BART requests an eight (8) month extension for period contract award to March 15, 2001. The main reason for the delay is that the soil on the

site of the Union Pacific right-of-way acquired for the project is contaminated with hazardous materials (lead and arsenic). BART is developing a toxic remediation plan, which should be finalized within the month of April 2000.

### **2.8c Request to Extend the Period of Project Completion**

#### **Sample Agenda Language**

Sacramento Regional Transit District (SacRT) – South Sacramento Light Rail Project – PPNO 1603I

SacRT requests a 6-month time extension to December 31, 2000 to complete the South Sacramento Light Rail Project. Delay due to additional parcels, not originally anticipated, acquired due to design changes made during the Final Phase of the project.

### **2.8d Request to Extend the Period of Project Reimbursement**

#### **Sample Language**

County of Imperial – Rail Crossings Improvements

County of Imperial requests a 12-month time extension for project reimbursement to June 30, 2001. The project is 94% complete, however Union Pacific Railroad will not submit their invoices to the County until all crossings project are completed.

### **2.8e Request for Waiver to Resolution G-99-25, Commission’s Guidelines for Allocating, Monitoring, and Auditing of Funds for Local Assistance Projects**

**Sample Agenda Language should be as same as 2.8a-d above but specific for Prop 116 projects.**

Submittal Requirements for all Time Extension Request include, but not limited to:

- Letter of Request from Local Agency using the DMT “Request for Time Extension” format

### **2.9 Technical Changes to Previously Approved Resolutions**

#### **Sample Agenda Language**

Resolution FP-99-88, originally approved June 15, 1999, for \$44,867,000 in State and Federal funds for forty-three (43) Regional Improvement (RIP) projects. On Projects #30 (Valley Boulevard Widening) - LACMTA- PPNO 077053, and #37 (Intersection Reconstruction), change this STIP allocation from a State and Federal allocation to a State only funds allocations. This technical amendment will ensure that funding approved for this STIP project is allocated to the correct fund. No changes to the text of the resolution were necessary.

**Who Prepares the Book Items:**

Agenda Items	Responsible Program
2.1a, b	Programming
2.1d	DMT, OSTPD Staff District Liaison
2.6b, c, d, e	<b>Budgets</b> <b>Note: OSTPD Staff maybe required to prepare a Discussion Item to support this book item.</b>
2.8a, b, c, d, e	DMT, OSTPD Staff District Liaison
2.9	Budgets

## 2.3.2 DISTRICT AGENDA ITEM INFORMATION SUMMARY AND WAIVER TIME EXTENSION REQUEST

### AGENDA ITEM SUMMARY

#### **DISTRICT** AGENDA ITEM INFORMATION CHECKLIST (Allocation Request Only)

Recipient Agency:	<u>0</u>	Allocation Amount:	<u>\$0</u>
Project Title:	<u>0</u>	PPNO Number(s):	<u>0</u> <u>0</u>
		CTC Meeting Date:	<u>January-04</u>

Allocation Request Packages should contain:

- Allocation Summary Sheet
- STIP Page identifying the project
- TCI Fact Sheet, Project Approval (PA) Resolution or Section of the Budget Act Authorizing the Funds
- Letter of Request from the Recipient Agency
- Project Description
- Scope of Work
- Financial Plan
- Project Delivery Schedule
- Project Management Plan
- Documentation of Local/Regional approvals (*e.g. Local Agency Resolutions RTPA Concurrence, etc.*)
- Environmental Documents, if applicable
- Hazardous Material Indemnification, if applicable
- Right-of-Way Approval Letter, if applicable
- Completed and Signed Bond Questionnaire, if applicable

1) Type of funding:

- |   |  |
|---|--|
| <input type="checkbox"/> STP                    | <input type="checkbox"/> Prop 116              |
| <input type="checkbox"/> SHA (State-only funds) | <input type="checkbox"/> Federal-only funds    |
| <input type="checkbox"/> PTA                    | <input type="checkbox"/> Other (Specify) _____ |

2) If State-only funds type of approval:

- Project included in the Final State-only Inventory as of 11/30/98 as:
  - 1998 STIP Projects Flagged for State-only
  - Grandfathered Projects – 1996 STIP
- Capital Project under \$750,000, (*Total amount programmed for all components in the STP*)
- Request for State-only funding approved by HQ Budgets. (*Attach copy of the approval if available if the Request for State-only funding has not been approved please indicate whether the request has been submitted by the Recipient Agency to HQ Budgets. HQ OSTP will follow up with HQ Budgets*)

3) Is this allocation request eligible for approval under Caltrans delegated authority?

- Yes  
If "YES", indicate type of eligibility
  - For **Prop 116**: G-95-05 maximum 5% of total programmed amount may be allocated for project development component.
  - For **STIP**: G-99-22 maximum of \$750,000 may be allocated for project development component. (*Please refer to HQ DMT Memo dated 12/14/99. Delegated Allocation for Project Development Components for the requirements and restrictions*)
- No

- 4) If Federalized, is this project in the FSTIP? Include FTA Grant #  
 Yes      FTA Grant #: \_\_\_\_\_  
 No
- 5) Is the current Project Description consistent with the CTC-approved project description? (If "NO", attach NEW and note differences)  
 Yes  
 No \_\_\_\_\_
- 6) Is the current Scope of Work consistent with the CTC-approved Financial Plan? (If "NO", attach NEW and note differences)  
 Yes  
 No \_\_\_\_\_
- 7) Is the current Financial Plan consistent with the CTC-approved Financial Plan? (If "NO", attach NEW and note differences)  
 Yes  
 No \_\_\_\_\_
- 8) Is the current Project Development Schedule consistent with the CTC-approval Project Development Schedule? (If "NO", attach a NEW and note differences)  
 Yes  
 No      see revised project delivery schedule
- 9) Is there a concurrent TCI/STIP Amendment or for Prop 116 projects , a PA Amendment? (IF "YES", attach a COPY or note that concurrent request has been submitted with this allocation. Include new PNO#)  
 Yes \_\_\_\_\_  
 No
- 10) IS the local match to State dollars sufficient? (If "YES", identify source of match. If "NO", check with the Recipient Agency)  
 Yes \_\_\_\_\_  
 No
- 11) Are State funds being used for Right of Way? Or is Right of Way being used as a local match? (If "YES", have the documents been submitted to HQ R/W for review? Include the date submitted to R/W)  
 Yes  
 No
- 12) If this allocation is for vehicle purchase/rolling stock, is there a group purchase? (If "YES", with whom? Type of fuel? If "NO", why not?)  
 Yes      With Whom? \_\_\_\_\_      Type of Fuel? \_\_\_\_\_  
 No \_\_\_\_\_
- 13) Will this allocation request require hiring a consultant(s) for engineering, and design-related service contracts?  
 Yes  
 No
- If "YES", is the contract for greater that \$750,000? If "NO", preaward is not required.

- Yes
- No

If “YES”, what is the status of the preaward audit? (*Choose one*)

- NOT required and WHY:
- To be completed by Caltrans (*Attach copy of Preaward Audit Request Letter” submitted to HQ Audits via District*)
- To be completed by Recipient Agency (*Attach copy of “Audit Disposition” letter*)

**WAIVER TIME EXTENSION REQUEST**

**(Check for type of request)**

- REQUEST FOR WAIVER TO CTC POLICY (P116, G-99-25)
- REQUEST FOR TIME EXTENSION (STIP, G-99-27)

AGENCY: \_\_\_\_\_ RESOLUTION NO.: \_\_\_\_\_  
 PROJECT: \_\_\_\_\_ RESOLUTION DATE: \_\_\_\_\_  
 FTA NO.: \_\_\_\_\_ AMOUNT ALLOCATED: \_\_\_\_\_  
 ORIGINAL PROGRAM YEAR: \_\_\_\_\_

Along with this form, the package from the District to Headquarters Division of Mass Transportation should include the following documents and/or information:

1. District \_\_\_\_\_ Contact \_\_\_\_\_ Phone No. \_\_\_\_\_
2. Category of Request (Check One):
  - (a) Allocation (except P116)  (b) 3<sup>rd</sup> Party Contract Award (Construction/  
Vehicle Purchase Only)
  - (c) Project Completion  (d) Project Reimbursement
3. Letter from Local Agency containing the following information:  
**Note: An agency may submit one letter addressing all projects for which it is requesting time extensions and/or waivers. However, district staff must complete a separate waiver/time extension form for each allocation.**
  - A. Project title
  - B. Length of delay (actual amount of time needed for extension)
  - C. Reason for delay (contributing factors)
  - D. Steps taken to resolve the delay
  - E. New delivery date of overall project
  - F. Percentage of overall project completed to date
4. Updated Allocation Information:
  - A. Copy of allocation resolution (*Does not apply if 2(a) is checked*)
  - B. Updated financial plan reflecting current draw down and reimbursement schedule for this allocation (*Does not apply if 2(a) is checked*)
  - C. Updated financial plan reflecting current draw down and reimbursement schedule for overall project (*for projects with multiple allocations*).
5. Expenditure Information for Allocation (*Does not apply if 2(a) is checked*):
  - A. Department approved expenditures to date using current Accounting report:  
 \$ \_\_\_\_\_ Date of Report \_\_\_\_\_
  - B. Dollar amount – Invoices approved but not yet reflected in report dated above:  
 \$ \_\_\_\_\_
  - C. Dollar amount – Invoices received but not yet approved:  
 \$ \_\_\_\_\_
6. Copy of current Fund Transfer Agreement (FTA) cover page. (*Does not apply if 2(a) is checked*)
7. District Recommendation. (**Explanation of recommendation must be provided on separate page**):
  - District does not support waiver/time extension. Waiver/time extension is forwarded on behalf of local agency only.
  - District supports waiver/time extension as requested by agency.
  - District supports waiver/time extension with conditions, but with limited time frame as opposed to what agency requested.

### **2.3.3 THE AGENDA ITEM APPROVAL PROCESS**

#### **District Forwards Local Agency Request to Caltrans Headquarters, Mass Transit Program (DMT)**

For each project, the Caltrans District representative works with the local agency representative to get the necessary paper work completed (as required for allocation requests). The District representative ensures that the request package(s) is completed in its entirety before forwarding the allocation package to HQ, OSTPD. The district is responsible for the analysis, review and processing of each request package and must meet the requirements set forth in the Commission's Monthly Activity Schedule for each given year. The schedule contains the due dates and necessary meetings to discuss the local agency requests (as identified in the local agency request package(s)).

#### **DMT Reviews Allocation Request and Works with CTC Liaison to Prepare an Agenda for CTC**

The HQ, OSTPD staff reviews each package (in its entirety) and interacts with the District Representative on any concerns or issues related to the local agency material. HQ, OSTPD staff works with Budgets, Programming, and Commission staff to resolve any outstanding issues or concerns through several scheduled meetings.

#### **CTC Approves Allocation**

The Commission will allocate funds only when funds are available and when it is satisfied the funds will be used in a timely manner according to the expenditure plan and progress on project activities within the local agency's control.

#### **CTC Transmits Stamped CTC Resolution to DMT**

Once Caltrans has been notified of both Commission approval and completion of the agreement(s) with the local agency, it will set up a process to release funding for reimbursement for project expenditures, no more often than on a monthly basis as agreed in the contract. Local agencies then submit billing vouchers to their Caltrans District for reimbursement.

Commission allocation of funds and execution of the Master Agreement or Program Supplement by the local agency and Caltrans, constitutes an encumbrance of the funding allocation. This will also apply to supplemental allocations and transfer of allocations from one project element to another project element.

## 2.3.4 COMMISSION APPROVALS OF PROJECT ALLOCATION

### Commission Approvals of Project Allocation

The Commission takes two actions for a project with a local agency. The Commission must approve that a project has met the intent of what is in the STIP, and allocate funding to the project from within the program and State Budget. The Commission's two steps are called project approval and funding allocation.

Project approval is the Commission's contract with the local agency for state funding participation in the project, as shown in the appropriate state program, for future funding allocation subject to annual legislative appropriation. In making a project approval, the Commission approves the project concept, the amount of state participation in project funding, and a proposed reimbursement schedule for the state funding share, and verifies that any other funding needed to complete the project is committed. A project approval reserves the state funding within the program, and allows work to be undertaken to complete the project for later state reimbursement.

The Commission may make a project approval covering all aspects of a project, or a series of partial project approvals for certain component phases, or a provisional project approval. Local agencies commonly will apply for a partial project approval for preliminary engineering and environmental work, and later seek project approval covering final engineering, right-of-way, and construction. The Commission may also give provisional project approval with stated conditions that must be fulfilled, for example, where the financial plan for a large project is uncertain or incomplete.

The Commission requires a description of scope, work schedule, cost, and reimbursement schedule when making a partial project approval covering project development (non-capital) work only. A local agency may apply for a partial project approval for project development any time after a project has been adopted into the state program.

For project approval covering construction, however, the Commission requires:

- A completed environmental document including project description and cost;
- A project schedule including agency responsibilities and major cost components through Project construction;
- A project financial plan showing all funding sources and the phases of the project to which each will be applied;
- A cash expenditure and reimbursement plan showing a schedule of both project cash expenditures by the local agency and expected state reimbursements and;

- Compliance with any applicable Commission policies and program guidelines.

The Commission expects the amount and detail of information about a project to correspond to the size and complexity of the project and state funding participation. A financial plan and cash reimbursement plan can be one-line statements for smaller projects that expect state reimbursement in a single lump sum after project completion. However, the funding request must identify the state fiscal year in which reimbursement will be requested.

Funding allocation assigns state funding to projects within a given fiscal year from the legislative appropriation in the State Budget, for reimbursement of expenditures on the project, following the cash expenditure plan for the project and progress in completing work. Funding allocation is a ministerial action (unless the Legislature does not appropriate enough funds) for all projects during a fiscal year, or progress toward completing the project fails to occur. The Commission only makes funding allocations cumulatively to a project up to the total state-funding share shown for the project in the state program.

The Commission may make project approval and funding allocations simultaneously for project development phases, or for small projects where all state reimbursement is to be done within one fiscal year. A project approval may extend across several fiscal years, but a funding allocation is tied to a specific fiscal year budget, and covers activities that can only extend out for three years.

### **2.3.5 CALTRANS ADMINISTRATIVE ACTIONS**

#### **Preaward Audits of Recipients**

Effective October 1, 2000, the following preaward audit process was implemented:

- If an allocation is under \$250,000, a preaward audit is not required unless the contract administrator anticipates problems or has concerns.
- If an allocation request is \$250,000 or greater, a preaward audit is required and a request should be forwarded to Audits and Investigations for a preaward audit of the Recipient prior to contract execution.

Recipient audits are conducted upon allocation and also include a review of the draft agreement between Caltrans and the recipient.

### **Environmental Compliance Documentation**

In compliance with Section 21150 of the Public Resources Code, the Commission may not allocate funds to local agencies for design, right of way, or construction prior to documentation of environmental clearance under the California Environmental Quality Act.

### **Hazardous Waste Indemnification**

Pursuant to CTC Resolution G-91-2, local agencies must perform due diligence to certify that all responsible steps have been taken to discover hazardous waste. Agencies certify that the state is indemnified and held harmless from all present cleanup liability damages.

### **Bond Certification (if applicable)**

For a P116 or P108 project, a tax compliance questionnaire must be completed by the local agency/recipient and forwarded to the Division of Budgets for Bond Certification.

### **Right of Way Acquisition**

Acquisition of Right of Way can begin after completion of environmental clearance. Caltrans is required to purchase properties at fair market value, although some preliminary work, such as appraisals, can be started. Where the State cannot reach an agreement on price with an owner, Caltrans is allowed to request a condemnation action from the Commission. An ordinary uncontested acquisition of a residential property is likely to take about eight months between appraisal and close of escrow. If an owner chooses to exhaust the condemnation process all the way to a court trial, such an acquisition can consume as much as two years or more. Right of Way considerations include the following:

### **Relocation Impact Studies**

Relocation Impact studies are required on all projects that displace any person or business. A final relocation impact study will have been completed for the preferred alternative and included in the Final Environmental Document.

### **Airspace Lease Areas**

The project development team should determine whether the proposed project has potential for future airspace leases. If so, and if the geometric plan can accommodate airspace leases, the district airspace committee is asked to review the appropriateness of incorporating such provisions into the project.

**Right of Way Cost Estimates**

Because right of way cost estimates are often time consuming, requests should be submitted to Right of Way as early as possible. Good mapping and other base data are important as their quality directly impacts the validity of the right of way cost estimates.

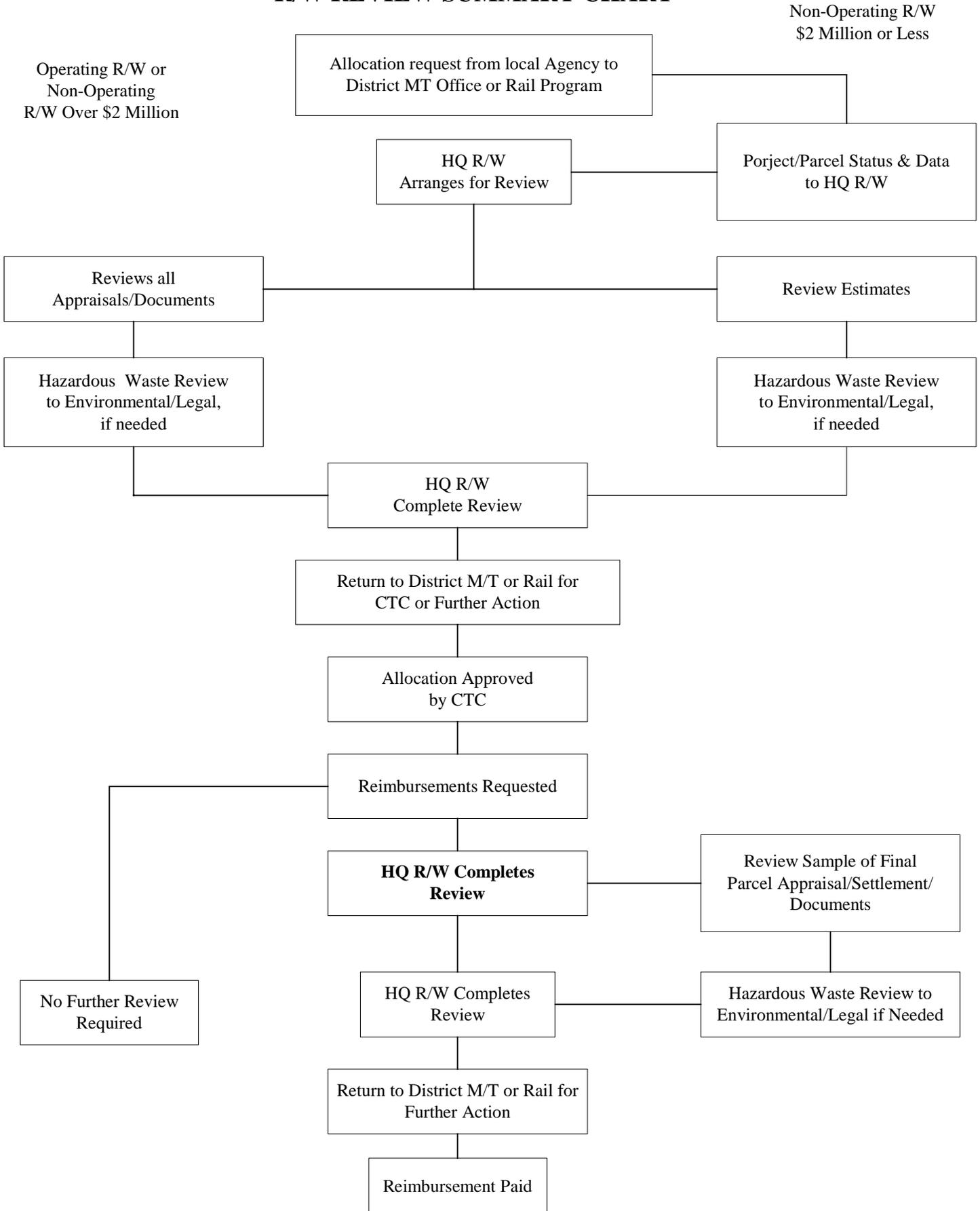
**Right of Way Project Reviews**

When the applicant agency proposes financing the acquisition of a project right of way with bonds or other State funds, or where local matching funds or share is based upon the value of right of way acquisition, Caltrans allocation review must include a full or sample review of the appraisals, documents and or estimates, as necessary to assure compliance with CTC Resolution G-90-17 and G-95-09.

The Commission has adopted the above resolutions, which are requiring a review of all funding requests for right of way for rail projects. These policies are to assure the Commission that both previous and proposed allocations for right of way have been based upon reasonable estimates.

The following illustrates Caltrans Right of Way Review Process for Rail Projects:

## R/W REVIEW SUMMARY CHART



### 2.3.6 TRANSFERRING STIP FUNDING FROM FEDERAL HIGHWAY ADMINISTRATION (FHWA) TO FEDERAL TRANSIT ADMINISTRATION (FTA)

The following are the instructions that have been provided to the Districts and local agencies:

The Caltrans funding policy (Attachment A) requires that all transit projects programmed in the STIP that are eligible for federal participation must follow the federal process to ensure maximum return of federal dollars to California. Further, as stated in the CTC Resolution G-00-20, STIP Guidelines, Section 26, , approved July 19, 2000:

- *“In accordance with Federal statutes and regulations, federal highway funds programmed for transit projects must be transferred from the FHWA to the Federal Transit Administration for administration when the project or project component is ready to be implemented. In order to facilitate the transfer and timely use of funds, the Commission encourages the implementing agency or fund applicant to submit grant applications to Federal Transit Administration requesting a grant number and tentative approval of project eligibility prior to requesting Commission allocation of funds.”*

The local agency must identify early on in the process, prior to the request for allocation by the Commission, the appropriate Federal Transit Administration grant programs in which to transfer the funds. The three (3) Federal Transit Administration programs into which funds can be transferred are the Urbanized Area Formula Program (Section 5307), the Elderly and Persons with Disabilities Formula Program (Section 5310), and the Non-Urbanized Area Formula Program (Section 5311). Each Federal Transit Administration grant program has specific submission dates and application requirements that must be met prior to the transfer of funds. The project must be included in an approved FTIP, or subsequent amendment. The Federal Transit Administration should be contacted regarding requirements for the Section 5307 Program; the Caltrans Office of Specialized Transit and Procurement is to be contacted regarding the Section 5310 Program; and the Caltrans Office of Federal Transit Assistance for the Section 5311 Program (see Attachment B for appropriate contacts). Once funds are transferred to the Federal Transit Administration by the FHWA, all Federal Transit Administration requirements are applicable to the transferred funds. *All STIP guidelines apply until the allocated funds are transferred to the FTA.*

It is very important that transfers are requested in a timely manner following allocation approval by the Commission. If the Federal Budget is not signed by October 1, the programming of these transferred funds by the Federal Transit Administration may be delayed until the Federal Budget is enacted.

The Commission may extend the timely use of funds deadline for transfers to the Federal Transit Administration no more than one time if it finds that an unforeseen and extraordinary circumstance beyond the control of the responsible agency has occurred that justifies the extension. The extension will not exceed the period directly attributed to the extraordinary circumstance and will in no event be for more than 20 months.

Following is a list of the Federal Transit Administration grant programs available and the process to follow for each grant type.

**FTA Section 5307 Formula Program**

The federalization of STIP programmed funds to the Section 5307 program is requested by the local agency directly to the Federal Transit Administration (San Francisco). Section 5307 grants are processed as they are received. *The local agency is the direct recipient of these grant funds.*

**STEP 1:** Request transfer of funds from the FHWA to the FTA

- A. The request for fund transfer is accomplished by the submission of a grant application through the Federal Transit Administration and Transportation Electronic Award and Management (TEAM) system by the local agency to the Federal Transit Administration (San Francisco).
- B. The Federal Transit Administration (San Francisco) reviews the grant application to ensure project eligibility.
- C. The Federal Transit Administration (San Francisco) assigns a grant number and tentatively approves it contingent upon federal-aid highway funds being transferred from the FHWA to the Federal Transit Administration.

**STEP 2:** Submission of allocation request for CTC action

- A. The local agency submits a CTC allocation request to the appropriate Caltrans District Office Transit Representative that includes the assigned FTA grant number and the FTIP number.
- B. The District Transit Representative forwards the allocation request to the Caltrans Division of Mass Transportation Office of State Transit Project Delivery requesting that the allocation be placed on the CTC agenda for a financial vote.

**STEP 3:** Approval of allocation request and transfer of funds

- A. Upon adoption by the Commission, the Office of State Transit Project Delivery provides a copy of the “Action Taken Report” and the Financial Vote List to the Caltrans Budgets Program Federal Resources Office, and notifies the District Transit Representative of this action.
- B. The Federal Resources Office submits a letter to the FHWA (Sacramento) requesting the transfer of funds to the Federal Transit Administration.
- C. The FHWA (Sacramento) sends a memorandum to the FHWA (Washington D.C.) requesting a fund transfer to the Federal Transit Administration (Washington D.C.). The Federal Transit Administration (Washington D.C.) notifies the Federal Transit Administration (San Francisco) when the funds are transferred. The Federal Transit Administration (San Francisco) will approve the grant once the grant requirements have been satisfied by the local agency.

**STEP 4:** Agreement development

- A. The local agency enters into a Master Agreement with the Federal Transit Administration (San Francisco) for the federal funds.
- B. If there is a State match, the Office of State Transit Project Management, or the Caltrans District Office if appropriate, prepares a Fund Transfer Agreement between Caltrans and the local agency for the State match. Upon the receipt of a “stamped” CTC resolution, the Fund Transfer Agreement is executed.

**STEP 5:** Reimbursement

- A. Reimbursement of the Federal Section 5307 funds is provided directly by the Federal Transit Administration to the local agency in accordance with the Master Agreement.
- B. If there is a State match, reimbursement is requested by the local agency through the District Transit Representative in accordance with the Fund Transfer Agreement.

**FTA Section 5310 Grant Program  
(Elderly and Persons with Disabilities Formula Program)**

The federalization of STIP programmed funds to the Section 5310 program is requested by the local agency directly to Caltrans. Eligible grant recipients include non-profit organizations, and public agencies under certain circumstances, that provide transportation services primarily to elderly persons and persons with disabilities. Section 5310 grants are processed annually. Contact the Caltrans Office of Specialized Transit and Procurement for the schedule of grant submission. *The Caltrans Division of Mass*

*Transportation Office of Specialized Transit and Procurement processes the grant application on behalf of the local agency and is the direct recipient of these grant funds.*

**STEP 1:** Request transfer of funds from the FHWA to the FTA

- A. A letter from the RTPA/MPO requesting the transfer of funds, along with a board approved resolution, a copy of the RTIP, and a Section 5310 grant application completed by the fund recipient is forwarded to the Office of Specialized Transit and Procurement.
- B. The Office of Specialized Transit and Procurement reviews the completed grant application to verify applicant and project eligibility.
- C. The Office of Specialized Transit and Procurement provides the fund recipient a FTA grant number in which the project will be programmed and tentatively approves the transfer request contingent upon federal-aid highway funds being transferred from the FHWA to the Federal Transit Administration.

**STEP 2:** Submission of allocation request for CTC action

- A. The local agency submits a CTC allocation request to the appropriate District Transit Representative that includes the assigned Federal Transit Administration grant number and the FTIP number.
- B. The District Transit Representative forwards the allocation request to Office of State Transit Project Delivery requesting that the allocation be placed on the CTC agenda for a financial vote.

**STEP 3:** Approval of allocation request and transfer of funds

- A. Upon adoption by the Commission, the Office of State Transit Project Delivery provides a copy of the “Action Taken Report” and the Financial Vote List to the Caltrans Budgets Program Federal Resources Office, and notifies the Office of Specialized Transit and Procurement of this action.
- B. The Federal Resources Office submits a letter to the FHWA (Sacramento) requesting the transfer of funds to the Federal Transit Administration.
- C. The FHWA (Sacramento) sends a memorandum to the FHWA (Washington D.C.) requesting a fund transfer to the Federal Transit Administration (Washington D.C.). The Federal Transit Administration (Washington D.C.) notifies the Federal Transit Administration (San Francisco) when the funds are transferred. The Federal Transit

Administration (San Francisco) notifies the Office of Specialized Transit and Procurement of grant approval.

**STEP 4:** Agreement development

- A. The Office of Specialized Transit and Procurement enters into a Standard Agreement between Caltrans and the local agency for the transferred funds.
- B. If there is a State match, the Office of State Transit Project Management, or the Caltrans District Office if appropriate, prepares a Fund Transfer Agreement between Caltrans and the local agency for the State match. Upon the receipt of a “stamped” CTC resolution, the Fund Transfer Agreement is executed.

**STEP 5:** Reimbursement

- A. Reimbursement of the Federal Section 5310 funds is provided directly by the Office of Specialized Transit and Procurement in accordance with the Standard Agreement.
- B. If there is a State match, reimbursement is requested by the local agency through the District Transit Representative in accordance with the Fund Transfer Agreement.

**FTA Section 5311 Grant Program**  
**(Rural areas with less than 50,000 population)**

The federalization of STIP programmed funds to the Section 5311 program is requested by the local agency directly to Caltrans. Section 5311 grants are processed annually. Contact the Caltrans Office of Federal Transit Assistance for the schedule of grant submission. *The Caltrans Division of Mass Transportation Office of Federal Transit Assistance processes the grant application on behalf of the local agency and is the direct recipient of these grant funds.*

**STEP 1:** Request to transfer funds from FHWA to FTA

- A. A letter from the local agency requesting the transfer of funds, along with a Program of Projects, RTPA/MPO board approved resolution, a copy of the approved FTIP, and a Section 5311 grant application is forwarded to the District Transit Representative.
- B. The District Transit Representative forwards the request documentation to the Office of Federal Transit Assistance.
- C. The Office of Federal Transit Assistance provides the District Transit Representative with a grant number in which the project will be programmed and tentatively approves the transfer request contingent upon federal-aid highway funds being transferred from the FHWA to the Federal Transit Administration.

D. The District Transit Representative forwards this information to the local agency.

**STEP 2:** Submission of allocation request for CTC action

- A. The local agency submits a CTC Allocation Request Form to the appropriate District Transit Representative that includes the assigned a grant number and the FTIP number.
- B. The District Transit Representative forwards the allocation request to the Office of State Transit Project Delivery requesting that the allocation be placed on the CTC agenda for a financial vote.

**STEP 3:** Approval of allocation request and transfer of funds

- A. Upon adoption by the Commission, the Office of State Transit Project Delivery provides a copy of the “Action Taken Report” and the Financial Vote List to Caltrans Budgets Program Federal Resources Office, and notifies the Office of Federal Transit Assistance of this action.
- B. The Federal Resources Office submits a letter to the FHWA (Sacramento) requesting the transfer of funds to the Federal Transit Administration.
- C. The FHWA (Sacramento) sends a memorandum to the FHWA (Washington D.C.) requesting a fund transfer to the Federal Transit Administration (Washington D.C.). The Federal Transit Administration (Washington D.C.) notifies the Federal Transit Administration (San Francisco) when the funds are transferred. The Federal Transit Administration (San Francisco) notifies the Office of Federal Transit Assistance of the transfer of funds. *Funds are not available to subgrantee until the grant between Caltrans and the Federal Transit Administration is approved, and the standard agreement is fully executed between Caltrans and the local agency recipient.*

**STEP 4:** Agreement development

- A. The Office of Federal Transit Assistance enters into a Standard Agreement between Caltrans and the local agency for the transferred funds after the grant approval is received from the Federal Transit Administration.
- B. If there is a State match, the Office of State Transit Project Management, or the Caltrans District Office if appropriate, prepares a Fund Transfer Agreement between Caltrans and the local agency for the State match. Upon the receipt of a “stamped” CTC resolution, the Fund Transfer Agreement is executed.

- C. Funds are available for expenditure after grant approval by the Federal Transit Administration and the full execution of the standard agreement between the subgrantee and the Office of Federal Transit Assistance.

<b>STEP 5:</b> Reimbursement
------------------------------

- A. Reimbursement of the Federal Section 5311 funds is provided by Caltrans in accordance with the Standard Agreement.
- B. If there is a State match, reimbursement is requested by the local agency through the District Transit Representative in accordance with the Fund Transfer Agreement.

Attachment A

Department of Transportation memorandum dated, December 2, 1998,  
signed by Craig L. House, Deputy Director, Finance

Subject: Project Funding Policy

The purpose of this memorandum is to outline the Department of Transportation's (Caltrans) funding guidelines based upon our evaluation of the Federal Transportation Enhancement Act for the 21<sup>st</sup> Century (TEA-21), and the 1998 Adopted State Transportation Improvement Program (STIP).

Policy

Caltrans maximizes the return of Federal dollars to California. All projects that are eligible for Federal participation must follow the Federal process to ensure maximum reimbursement to California. This policy applies to all capital projects, including transit programmed in the STIP and SHOPP unless specifically mentioned as eligible for State-only funding.

State-only funds are approved for the following:

- All Capital projects under \$750,000 except for:
  - Park & Ride and Bus Stop projects costing \$30,000 or more.
  - Safety (HB-1) and Railroad crossing projects on State highways costing \$100,000 or more.
- State funds used to match Federal funds.
- STIP Rideshare projects.
- Rail projects that are not eligible for Federal funding, and are not for acquiring rolling stock.
- Projects recommended by Caltrans approved by the California Transportation Commission (CTC) at the time of programming.
- Projects granted exceptions by Caltrans.

**Attachment B**

**FEDERAL TRANSIT ADMINISTRATION**

201 Mission Street  
San Francisco, CA 94105-1926  
(415) 744-3133

**DEPARTMENT OF TRANSPORTATION**

P.O. Box 942874  
Sacramento, CA 94274-0001

*Division of Mass Transportation (MS-39)*

**Office of Federal Transit Assistance**

La Keda Johnson, Chief  
(916) 654-4373

**Office of State Transit Project Delivery**

Annette Gilbertson, Chief  
(916) 654-9871

**Office of Specialized Transit and Procurement**

Chris Herre, Chief  
(916) 654-6990



## **CHAPTER 3 AGREEMENT EXECUTION**

### **SECTION 1 AMENDMENTS**

#### **3.1.1 Amendments to Fund Transfer Agreements**

##### **Amendments for Award of Third Party Contracts**

The local entity has one year to enter into a third party contract. Award of a 3<sup>rd</sup> party extends the period of availability, and it provides 36 months for contract completion.

##### **Amendments for Addition of Funding Increments**

If the amendment is below \$250,000, an audit is not required. If the amendment is greater than the \$250,000, then another preaward audit is required.

##### **Amendments for Time Extensions**

Amendments to extend the time, have a one-time exemption from the regular approval process. All other time extensions will require sole source approval from the Department of General Services and/or Business Transportation and Housing, with the exception of a third party contract which is also exempt from the regular approval process.

## **SECTION 2 MASTER AGREEMENTS AND PROGRAM SUPPLEMENTS**

### **3.2.1 Master Agreements and Program Supplements**

#### **Master Agreement Execution**

An agency must have an executed Master Agreement (MA) for state funded transit projects prior to requesting state funds for a transit project. The MA is a contract between Caltrans and a local agency. The MA needs to be renewed every ten years. Once a MA has been executed, an agency may request state funding for one or more programmed transit projects. The MA contains all of the necessary legal language to cover all state funded transit projects.

#### **Program Supplement Execution**

Project specific Program Supplements (PS) are executed upon the allocation of state funds by the Commission or Caltrans. The PS will be signed by the Agency representative (as indicated by Agency Resolution), and the District Office. Neither HQ Division of Mass Transportation nor Division of Legal will have to sign except in special cases involving high-risk grantees or when conditions are specified as part of the allocation.

The Caltrans Office of TCRP handles the allocation resolutions for TCRP projects. The Office of TCRP submits these resolutions to the Commission for approval. Allocations may occur concurrently with the Program Supplement submittals to Caltrans District staff, or at a later date. After the Commission approves the projects and the agency informs Caltrans District staff of their intent to move forward with the projects, DMT will submit the Program Supplement documents for these projects to the Caltrans District office.

Program Supplements shall include:

- Detailed costs and funding sources
- Project Description, Scope and Schedule
- Signatures of the Agency Representative and Caltrans District Planning Chief

#### **Reimbursement Process**

All reimbursements for expenditures and costs are limited to the amount allocated by the Commission. Reimbursements are only allowed for project work identified in the Project Application programmed and adopted by the Commission. A Master Agreement and

Program Supplement between the local agency and Caltrans must be fully executed before any reimbursements of state and federal funding can occur. The agency shall request reimbursement by submitting a project invoice to the Caltrans District staff, documenting expenditures and project costs. Reimbursements can occur at any phase of the process, as the project moves towards completion. The reimbursement procedures are as follows:

- The Caltrans District staff reviews and approves the project invoice.
- The district forwards the invoice on to Caltrans Accounting Office for further processing.
- The Accounting Office will need to verify and approve the invoice, which is then routed to the State Controller's Office (SCO) with a request for the issuance of a check in the amount of the invoice to the agency.
- The SCO will then disburse payment to the agency for the transit projects.

The agency is reimbursed for eligible reimbursable costs in-arrears, when "Progress Invoices" are submitted to Caltrans District staff for actual expenditures made, within the deadlines determined by policy for the "timely use of funds". Invoices may be submitted monthly to minimize administrative costs to the agency and Caltrans. For an "Expedited Payment" a Memorandum of Understanding (MOU) must be on file with Caltrans Accounting Office and expedited payments will be reimbursed based on the agreed upon terms detailed in the MOU.

### **Master Agreement and Program Supplement Instructions**

The instructions for filling out the Master Agreements and Program Supplements are provided in the Technical Appendices.

### **Master Agreement and Program Supplement Documents**

A chart depicting the Master Agreement and Program Supplement processes and the original Master Agreement boilerplate documents are provided in the Technical Appendices.



## **CHAPTER 4 TRAFFIC CONGESTION RELIEF PROGRAM**

Under Section 1 of Chapter 4, the Traffic Congestion Relief Program (TCRP) is summarized to provide a profile of the program based on the TCRP Act of 2000. A separate handbook has been developed to depict the TCRP processes. This handbook is entitled, "How Caltrans Administers Funds For Transit Projects". This handbook is available and will be provided at the scheduled DMT and regional workshop training sessions in FY 2001. This handbook is designed for individuals who prefer an overview and summarization of the transit funding process and the TCRP.

### **SECTION 1 TRAFFIC CONGESTION RELIEF PROGRAM**

#### **4.1.1 Introduction to Traffic Congestion Relief Program**

##### **Traffic Congestion Relief Program**

The TCRP has substantially added investments to California's transportation infrastructure, including many other transit projects. Over \$5 billion will be invested to relieve traffic congestion throughout the State and to promote interconnectivity between various transportation modes.

The TCRP identifies a large number of projects that will be implemented beginning in Fiscal Year 2001. The TCRP guidelines were developed to provide further clarification on the roles and responsibilities and the interpretation of statutes for the implementation of the projects identified in the Act. The processes for implementing the TCRP will deliver these projects in a more expeditious manner than the other transit projects normally delivered through the STIP.

The TCRP, formerly called the Governor's 2000 Initiative, was upstarted through the Governor's signing of two legislative bills, Assembly Bill 2928 and Senate Bill 1662. These bill enactments brought forth the TCRP and allowed for Caltrans to program projects outside of the Caltrans STIP process. The TCRP is designed to ease traffic

congestion, speed up project delivery, improve the movement of goods, and enhance interconnectivity among other transportation modes.

The Act provides \$5.3 billion for needed transportation improvement projects, transit, ferries, enhancements, studies, and other programs. These funds will be distributed to local agencies from the TCRP. Approximately \$2.6 billion is designed for over 50 transit projects. The Commission and Caltrans have developed the following guidelines to effectively implement the TCRP. The recipients of the TCRP funds are the regional and local transportation agencies, and Caltrans.

The Commission and Caltrans have developed guidelines to effectively implement the TCR Program.

### **4.1.2 Program Responsibilities**

#### **Responsibilities Applicant is responsible for:**

- Submitting all project applications to the Commission, as specified in the Act by July 2002. The Commission will accept applications for: all work to complete the project; one or more phases of work, typically through project plans, specifications and estimate, but not including all phases to complete the project; or to cover a partial stage of capital construction or procurement, resulting in a usable segment or portion of the project, but not completion of the entire project.
- Securing funding commitments to complete projects.
- Concurring in decisions affecting project purpose, scope, cost, or schedule recommended by the implementing agency.
- Making progress reports to Caltrans and the Commission.
- Working with the Metropolitan Planning Organization to ensure project meets federal planning, programming and air conformity requirements.
- Submitting amendments when changes are necessary to approved projects.

#### **The Commission (CTC) is responsible for:**

- Adopting and amending program guidelines.
- Receiving, reviewing and approving or denying project applications.
- Reviewing draft and final environmental documents as a responsible agency under CEQA.
- Directing the allocation of funds for project implementation. (The Commission delegates the authority to Caltrans to make most of the allocations)
- Considering and approving or denying amendments to applications or allocations, and minor changes to projects.
- Reporting on program implementation annually to the Legislature and Governor.

**Caltrans is responsible for:**

- Co-signing applications for projects on a state highway or intercity rail line or that include interregional improvement funds.
- Reviewing applications and advising the Commission.
- Preparing and executing a cooperative agreement with the implementing agency.
- Allocating funds as directed by the Commission.
- Administering the program, including payout of allocated funds.

**Implementing Agency is responsible for:**

- Carrying out feasibility or environmental studies, preparing plans, right of way acquisition, and completing construction or procurement, as appropriate to complete the project.
- Ensuring the applicant, CTC, Caltrans and the regional agency receive notice, opportunity to comment, and final environmental documents required by CEQA.
- Executing a cooperative agreement with Caltrans.
- Certifying sustained level of transportation expenditures consistent with F/Ys 1997/98, 1998/99 and 1999-00 during the period allocated funds are available for use.
- Requesting allocation of funds.
- Seeking concurrence with the applicant for project changes.
- Fulfilling administrative requirements, including billing for reimbursement.

**Regional Agency is responsible for:**

- Ensuring projects are contained in or consistent with the regional transportation plan.
- Co-signing applications for projects that include regional improvement funds.

**Overlapping Responsibilities**

For some projects, the applicant and implementing agency may be the same; for some projects, Caltrans or a regional agency may be the applicant and/or the implementing agency.

**Application Review**

The Act requires the Commission to begin review of an application within 30 days and to act within 90 days of receipt of the application. Caltrans will review applications concurrently with the Commission, and may present its advice or recommendations for the Commission's consideration.

**STIP and TCRP**

Some significant differences between TCRP and STIP project requirements include:

- TCRP fund recipients can start incurring reimbursable costs as of the date the Commission approves the project application;
- For STIP projects, an agency must receive an allocation prior to starting reimbursable work;
- TCRP funding recipients may request advance payment of TCRP funds at the time of application approval. They are then required to later submit invoices of costs and payments that support the advance disbursement;
- Recipients are not required to submit a Uniform Transit Application. A more streamlined TCRP application is used instead;
- Caltrans, not the Commission, makes TCRP allocations, except in rare instances when there are special circumstances.

For further information, please refer to Technical Appendices for enacted legislation on AB 2928, and SB 1662, respectively.

### 4.1.3 Project Application, Allocation Request, and Sample Invoice

#### Project Application

The following is an Appendix 9.2 - Project Application form:

#### Appendix 9.2 - Project Application

#### Traffic Congestion Relief Program

#### I. Section I. Application Information

- A. Specify the paragraph number, authorized dollar amount, and project description pursuant to Government Code section 14556.40 (a) (AB 2928, Chapter 91 of the Statutes of 2000) authorizing this project:

Paragraph Number: \_\_\_\_\_ Amount: \$ \_\_\_\_\_ million

Description: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

- B. Applicant Agency: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 \_\_\_\_\_

Contact Person: \_\_\_\_\_

Phone #: \_\_\_\_\_ FAX #: \_\_\_\_\_

Email: \_\_\_\_\_

- C. Implementing Agency: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 \_\_\_\_\_

Contact Person: \_\_\_\_\_

Phone #: \_\_\_\_\_ FAX #: \_\_\_\_\_

Email: \_\_\_\_\_

- D. Caltrans District: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 \_\_\_\_\_

Project Manager/Coordinator: \_\_\_\_\_

Phone #: \_\_\_\_\_ FAX #: \_\_\_\_\_

Email: \_\_\_\_\_

E. Application Type:

\_\_\_ Study Only (*Complete Sections II, IV, VI, & VIII*)

\_\_\_ Non-Capital Phase(s)

(*Complete All Sections except VII. Detail for requested phase(s), estimate otherwise*)

\_\_\_ Studies, environmental review, and permits

\_\_\_ Preparation of project plans and specifications

\_\_\_ Capital Phase(s) – **Must attach required environmental documents**

(*Complete All Sections except VII. Detail for requested phase(s), estimate otherwise*)

\_\_\_ Right of Way Acquisition

\_\_\_ Construction or Procurement

\_\_\_ Complete Project (*Complete All Sections except VII*)

\_\_\_ Alternative Project (*Complete All Sections*)

**Section II. General Project Information**

A. Project Name: \_\_\_\_\_  
 \_\_\_\_\_

B. Project Purpose: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

C. Project Location (*attach a map if applicable*): \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

D. Project Description: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

E. Project Scope: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

F. Total Estimated Cost of Project: \_\_\_\_\_

G. Project Start Date: \_\_\_\_\_

H. Construction Start Date: \_\_\_\_\_

I. Project End Date: \_\_\_\_\_

**Section III. Project Phase Information**

Phase of work	Scope	Schedule (month/year)		Cost
		Start	End	
I. Studies, environmental				

review, and permits				
2. Preparation of project plans and specifications.				
3. Right of Way acquisition				
4. Construction or procurement				
				Total:

**Section IV. Project Phases and TCRP Funds covered by this Application**

	Phase 1	Phase 2	Phase 3	Phase 4	Total
TCRP Funds					
Estimated Allocation Date (month/year)					

- A. The Implementing Agency requests TRCP fund allocation in the amount of \$\_\_\_\_\_ concurrent with this Application.
- B. The Implementing Agency requests an advance payment of \$\_\_\_\_\_.

Please explain and justify:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- C. The Implementing Agency requests the following rate of reimbursement be considered in association with the requested allocation:

\_\_\_ Proportionally spread across all funding sources.

\_\_\_ Other, please explain and justify: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Section V. Funding Information for the Total Project**

Source	Type		Phase 1	Phase 2	Phase 3	Phase 4	Total
		Committed					
		Proposed					
		Committed					
		Proposed					
		Committed					
		Proposed					
		Committed					

		Proposed					
		Committed					
		Proposed					
		Committed					
		Proposed					
		Committed					
		Proposed					
		Committed					
		Proposed					
	Total:	Committed					
		Proposed					
	Project Totals:						

**Section VI. Additional Information**

A. Will this project utilize Regional or Inter-Regional Transportation Improvement Program funding?

\_\_\_ Yes (application must be co-signed by regional planning agency or Caltrans, whichever is applicable.)

\_\_\_ No

B. For Projects with a Right of Way or Construction/Procurement Phase, the Lead Agency must demonstrate that it is part of, or in conformity with, the appropriate Regional Transportation Plan. Attach a copy of the relevant section(s) of the Regional Transportation Plan.

C. If this project will utilize other fund sources (i.e. STIP, local measure tax, demo funds, etc.), have they been programmed or committed? Please provide a narrative describing how they have been committed or a strategy that the Agency will undertake to commit necessary funds:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Section VII. Justification for Alternative Project Application**

A. Reasons for Alternative Project (check all that apply):

\_\_\_\_\_ Significant delay caused by environmental or other factors external to the control of the lead applicant agency that are not likely to be removed within a reasonable time.

\_\_\_\_\_ Sufficient funds will not become available to secure the funds specified in the act and complete the project within a reasonable time.

\_\_\_\_\_ The designated project is not in or consistent with the respective regional transportation plan, and the regional agency will not or cannot include it.

\_\_\_\_\_ Completion of the specified project would jeopardize the completion of other projects programmed in the State Transportation Improvement Program as of July 2000.

B. Explain items checked above in more detail:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

C. Is the alternative project within the applicant’s jurisdiction?

\_\_\_\_\_ Yes

\_\_\_\_\_ No

D. Explain how the proposed project presented in this Application will relieve congestion consistent with the:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Section VIII. Signatures of Applicant Agencies**

By affixing the signature(s) below, the agency certifies it has provided complete and accurate information necessary for the California Transportation Commission to review and process this Project Application; that the agency will in good faith pursue this work for the public’s benefit in a timely and diligent manner and comply with all existing and future Commission policies and rulings; and that the Regional Planning Agency or Caltrans has reviewed and approved this project.



**Allocation Request**

The following is an Appendix 9.3 - Allocation Request form:

**Appendix 9.3 – Allocation Request**  
**Traffic Congestion Relief Program**

**Section I. Project Information**

- A. Project Name: \_\_\_\_\_  
 \_\_\_\_\_
  
- B. Specify the paragraph number, authorized dollar amount, and project description pursuant to Government Code section 14556.40 (a) (AB 2928, Chapter 91 of the Statutes of 2000) authorizing this project:  
  
     Paragraph Number: \_\_\_\_\_                      Amount: \$ \_\_\_\_\_ million
  
- C. Has the Project changed as defined in Section 7.2 or Section 7.3 of the TCRP Guidelines?  
  
     \_\_\_ Yes as defined in Section 7.2; complete this Allocation request form and prepare a narrative describing the nature (what and why) of the change for submittal the CTC for approval.  
  
     \_\_\_ Yes as defined in Section 7.3; complete this Allocation request form and indicate:  
         \_\_\_ A narrative describing the nature (what and why) of the change is attached  
         \_\_\_ An Amended Application for submittal to the CTC for approval is attached  
  
     \_\_\_ No; complete the Allocation request form.

**Section II. Approved Application Information**

- A. What was the date of approval for the TCRP Application that covers this allocation request? \_\_\_\_\_
  
- B. Is this Allocation request for a capital phase(s) (Phase 3 or 4 as defined in the Guidelines and Application)?  
  
     \_\_\_ Yes, answer the following:  
         *Does the Approved Application cover any capital phase(s)?*  
  
         \_\_\_ *Yes, therefore, any required environmental documents were submitted and approved along with the Application. Complete the Allocation Request*  
  
         \_\_\_ *No, attach required environmental documents and complete the Allocation request. This request will require CTC approval.*  
  
     \_\_\_ No, complete Allocation request

**Section III. Project Phases and TCRP Funds covered by this Request**

<b>Planned:</b>	Phase 1	Phase 2	Phase 3	Phase 4	Total
-----------------	---------	---------	---------	---------	-------

(from Application)					
TCRP Funds					
Estimated Allocation Date (month/year)					
<b>History:</b> (list all previously approved allocations)					
TCRP Funds					
Allocation Date (month/year)					
<b>Requested:</b> Differences, if any, should be explained					

D. The Implementing Agency requests an advance payment of \$\_\_\_\_\_.

Please explain and justify:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

E. The Implementing Agency requests the following rate of reimbursement be considered in association with the requested allocation:

\_\_\_ Proportionally spread across all funding sources.

\_\_\_ Other, please explain and justify: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Section IV. Signatures of Requesting Agencies**

\_\_\_\_\_  
Officer or Director of Implementing Agency

\_\_\_\_\_  
Date

\_\_\_\_\_  
Officer or Director of Applicant Agency  
(Required if different from Implementing Agency)

\_\_\_\_\_  
Date

**Progress Report**

The following is an Appendix 9.4 Progress Report form:

Appendix 9.4 - Progress Report

**Traffic Congestion Relief Program**

- A. Specify the paragraph number, authorized dollar amount, and project description pursuant to Government Code section 14556.40 (a) (AB 2928, Chapter 91 of the Statutes of 2000) authorizing this project:

Paragraph Number: \_\_\_\_\_ Amount: \$ \_\_\_\_\_ million

Description: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

- B. Applicant Agency: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 \_\_\_\_\_

Contact Person: \_\_\_\_\_

Phone #: \_\_\_\_\_ FAX #: \_\_\_\_\_

Email: \_\_\_\_\_

- C. Caltrans Project Manager/Coordinator: \_\_\_\_\_

Phone #: \_\_\_\_\_ FAX #: \_\_\_\_\_

Email: \_\_\_\_\_

- D. Submittal date of project application (actual or projected): \_\_\_\_\_  
 \_\_\_\_\_

- E. Proposed/Approved project schedule by start and end of each phase:

	Schedule (month/year)	
--	-----------------------	--

Phase of work	Scope	Start	End	Cost
Proposed/Approved				
1. Studies, environmental review, and permits				
Current/Actual				
1. Studies, environmental review, and permits				
Proposed/Approved				
2. Preparation of project plans and specifications.				
Current/Actual				
2. Preparation of project plans and specifications.				
Proposed/Approved				
3. Right of Way acquisition				
Current/Actual				
3. Right of Way acquisition				
Proposed/Approved				
4. Construction or procurement				
Current/Actual				
4. Construction or procurement				
Proposed/Approved TOTAL:				
Current/Actual TOTAL:				

F. Project expenditures by phase:

II. Phase	1. Studies, environmental review & permits	2. Plans, specification and estimates	3. Right of Way acquisition	4. Construction or procurement	Total expenditure
Expenditure					

G. Percent of work complete by phase:

III. Phase	1. Studies, environmental review & permits	2. Plans, specification and estimates	3. Right of Way acquisition	4. Construction or procurement	Total percent complete
Percent complete					

H. Synopsis of issues which may impact project implementation/progress:

Financial:

---

---

---

Environmental: \_\_\_\_\_

---

---

RTP Consistency: \_\_\_\_\_

---

---

Projects programmed in 2000 STIP: \_\_\_\_\_

---

---

Other: \_\_\_\_\_

---

---

I. Signature of Applicant Agency:

\_\_\_\_\_  
Officer or Director of Applicant Agency

\_\_\_\_\_  
Date

**Sample Invoice**

The following is a Sample Invoice form:

**SAMPLE INVOICE (for TCRF Projects)**

Invoice Date: \_\_\_\_\_ Invoice Number: \_\_\_\_\_

Expenditure Authorization Number \_\_\_\_\_ Contract Number \_\_\_\_\_

TCRP  
Project Title/Number \_\_\_\_\_

Name of  
Recipient: \_\_\_\_\_

Business Address of  
Recipient: \_\_\_\_\_

Remit Address: (if different from business  
address): \_\_\_\_\_

Payment Period: \_\_\_\_\_ District Number \_\_\_\_\_

Source of Allocation: TCRP

Amount Allocated: \$10,000,000.00

Reimbursed to date: (total of all prior payments made on this project) \$9,227,412.49

Balance of allocation: (Amount allocated less Reimbursed to date) \$ 772,587.51

Description of the cost breakdown (i.e. Debt Reduction) \$ 8,360.19

Total expenses incurred: \$ 8,360.19

Net amount due: **\$ 8,360.19**

I certify the charges for work billed are proper and that project progress is commensurate with cash disbursements being claimed on the "Net amount due" line above:

Representative of Recipient's Signature \_\_\_\_\_  
Date \_\_\_\_\_

Print Name/Title \_\_\_\_\_  
Business Phone \_\_\_\_\_

I have reviewed the disbursements and the progress of work on the project specified above and recommend payment in the amount shown on "Net amount due" line.

Caltrans District Representative Signature \_\_\_\_\_  
Date \_\_\_\_\_

Print Name/Title \_\_\_\_\_

Business Phone \_\_\_\_\_

Invoice may be sent via interoffice mail to Michelle Forbes or Patty Harmon at Mail Station 33, or hand delivered to Farmer's Market II (Second Floor 3E, Cubicles 454/453).

Invoices may also be faxed to Michelle Forbes or Patty Harmon at (916) 227-9737, and followed up with a hard copy of the invoice.

If you have any questions about the invoicing process, please call Caltrans Accounting:



## **CHAPTER 5 PROJECT MANAGEMENT**

The beginning of Section 1 of Chapter 5, depicts the quarterly review process in its entirety. Quarterly reviews consist of discussions of progress made on a given project (through quarterly meetings scheduled in a given year). Section 5.1.2 includes the guidelines for reviewing local agency invoices. This section highlights and defines the type of costs associated with project development, right of way, construction engineering, and construction. Section 5.1.3 consists of information on project closeout procedures. Section 5.1.4 provides information on the accounting and auditing systems. This section includes information on preaward, interim and post audits and describes the process for the reimbursement of funds to local agencies.

### **SECTION 1 PROJECT MANAGEMENT**

#### **5.1.1 Quarterly Review/Status of Project**

##### **Why a Quarterly Review?**

The District Transit Representative (who works closely with the local agency) determines if a quarterly on-site meeting is warranted. The decision to have an on-site meeting should be based on the following considerations:

- The complexity of the project, the stage of the project, and/or if delays have occurred and changes have been made to the scope, schedule or financial plan. Quarterly meetings can be held at either the recipient's location or at the Caltrans District Office.

Local agencies provide Caltrans District staff with information on the following:

- Status of the project or whether the project is proceeding on schedule and within budget; provide a presentation of the projects, discuss any proposed changes in the program management plan; review major construction accomplishments during the quarter, and identify any actual or anticipated problems which could lead to delays in schedule, increased costs or other difficulties in delivering the project.

### **Quarterly Reviews**

It is the Commission's intent that Caltrans, in consultation with regional agencies, develop and implement a process and mechanism to monitor and track local entity projects from the allocation of funds through project completion. The process facilitates regional agency accountability and provides for reporting to the Commission on the status of projects, expenditures and reimbursements.

Projects are monitored on a quarterly basis to review progress to date by the project management plan, Fund Transfer Agreement (FTA)/Scope of Work or Program Supplement. Quarterly project monitoring meetings are scheduled four to six weeks after the close of each quarter. If there are federal funds in the project, it is preferable to hold monitoring meetings in conjunction with the federal quarterly monitoring meetings.

The participants in the project monitoring are the local agency project management staff, Caltrans District staff, and OSTPD or OSTPM staff. Others may be included as needed.

The quarterly meetings consist of discussion of progress made on the project. Any concerns, changes or problems encountered will be noted and, if necessary, approved, by Department staff unless Commission approval is necessary. The local agency should make available at the quarterly meetings, the following:

- Project management plan
- FTA/Scope of Work or Program Supplement
- Financial plan (The District and local agency must agree on a project base-line budget at a given point in time, and any subsequent revisions to the existing budget must be shown in a revised budget along with a revised budget plan if necessary. The budget presented at the quarterly reviews will show both the base line and revised budgets).
- Cash drawdown schedule (as submitted with the fund allocation request and as updated)
- Expenditures to date (total by category shown in Scope of Work and by fund source)
- Project development schedule (Prior to construction the District and agency must agree on the base-line schedule to be set at some given point in time. The schedule presented at the quarterly reviews will show both the base line and revised schedules.)

- Report on compliance with any funding allocation conditions.

Caltrans is to be informed throughout execution of the project, of the progress being made and will be able to assure accountability for use of state funds. Caltrans staff will prepare the Timely-Use-of-Funds Report to the Commission on any significant changes in the project development schedule and financial plan or level of service.

## 5.1.2 INVOICING

### Guidelines For Reviewing Local Agency Invoices

The following pages provide guidelines for reviewing local invoices:

#### General

An executed FTA, Master Agreement or Program Supplement must be in place prior to approval of any agency invoices. All costs related to a transportation project are generally eligible for funding. These include direct costs for engineering, right of way and construction, and indirect agency overhead costs related to the project. Agency costs for program administration are not eligible.

The following direct costs are generally eligible for reimbursement:

**Project Development:** Eligible costs include all preliminary work up to contract award related to the project. This includes, but is not limited to environmental studies, preliminary surveys and reports, laboratory work, soil investigations, preparation of plans, designs, specifications, advertising for bids and awards, project development, oversight, and contract administration.

**Right of Way:** Costs associated with real property acquisition including relocation assistance payments, property demolition and clearance, certification, utility relocation costs and right of way staff support are eligible for reimbursement. Any costs associated with acquisition and disposal of excess land, right of way acquired prior to environmental clearance or prior to the project's adoption into the state program, are not reimbursable.

**Construction Engineering:** Eligible costs include actual inspection and supervision of construction work, construction staking, laboratory and field testing, preparation of processing of field reports and records, estimates, final reports and allowable expenses of employees/consultants engaged in such activities.

**Construction:** Eligible costs include all work performed through construction contracts and contract change orders, as well as state or local agency furnished materials and equipment.

Indirect support costs are spread among and are attributable to more than one cost activity or functional unit for state reimbursement according to the State Administrative manual.

Eligible indirect costs include;

- Agency Management: Personal service costs for unit, bureau, division, departmental, administrative, supervisory and executive staff.
- Support Units: Personal service costs including clerical support, housekeeping, operating expenses, equipment costs for work on the project which has not been included as part of direct costs.

**Ineligible Costs:**

- General program administration costs of the agency. The effort involved in preparing and reviewing project and program proposals, preparation and processing of funding requests, inter-agency coordination and agreement preparation costs and general costs associated with program implementation and management are ineligible.
- Any kind of work done before the effective date of the FTA/Program Supplement or any costs incurred in excess of a project approval.

Note: Financial costs of local agency borrowing that may be used to cover expenditures during project implementation (Refer to state policy on advancing funds in local agency hardship situations).

**Review of Invoices**

Invoices should be submitted on local agency letterhead and include the following:

- Contract identification numbers, local agency/state agreement.
- Project number.
- Local agency Internal Revenue Service tax identification number.
- Invoice number.
- Reimbursement ratio.
- Cost breakdown by phase of work:
  - a) Total cost to date
  - b) Retention withheld
  - c) Liquidated damages
  - d) Non participating or ineligible costs to date

- e) Participating costs on previous invoice
  - f) Amount of current charges (summary sheet)
  - g) Invoice total
- Review categories of activities being billed to determine possible conflict with the Scope of Work or contract.
  - Review items to determine if they fall within the appropriate timelines as described in the Scope of Work.
  - Check for arithmetic accuracy and compare with previous invoices for possible duplication.

Different levels of documentation may be required depending on accounting formats already in place at the local agency. Additional information may be required if the agency is using right of way acquisition as a local match to state funds for construction as follows:

- Coordinated official mapping sets, highly legible and preferably to the same scale showing:
  - a) The permanent facilities at the completion of the project.
  - b) Parcels with identification keyed to legal documents (official parcel numbers), and/or information from which the parcels can be positively identified from legal parcel descriptions (reference starting points, property lines with bearings and lengths).
  - c) Construction details affecting property claims.
- A list of parcels to be credited to local match for this project. The list should include the following information:
  - a) Parcel number or other legal identification which will be keyed to other legal documentation such as deeds and the parcel map.
  - b) Area of parcel
  - c) Name of grantor and grantee.
  - d) Category of transaction (acquisition or rental equivalent).
- Transaction information for each parcel must include
  - a) Copy of deed.
  - b) Purchase agreement signed by grantor and representative of grantee.
  - c) Bills from title companies referenced by parcel.
  - d) Copies of warrants and of warrant stubs identifying purpose of warrant.
  - e) Escrow information.
  - f) Documentation that the city has authorized payment (council resolutions).

- g) Face sheet of appraisal showing valuation and items such as rental equivalent (full appraisal shall be submitted upon demand).
- h) Full documentation of other costs such as relocation.
- i) Certification and signature of local agency representative.

### **Possible Problem Areas**

- Relocation costs for moving a tenant or owner do not include purchase of property. Property purchase must be specifically mentioned in the Scope of Work.
- Charges for food served at meetings are not eligible expenses and are not reimbursable.
- Charges for fines imposed by other agencies.
- Large projects billed on nearly final invoices.
- Double billing for items.
- Agency costs and overhead (can be matching funds), obtain listing of kinds of charges included in agency costs being especially careful of travel expenses, membership in organizations and dues, lodging, meals and entertaining expenses.
- Non-scope items such as art, ornamental items, etc., charged to station projects.
- Costs of opening ceremonies are not allowable with bond funds. This includes handicapped ramps for opening ceremonies.
- Review to insure that security and public notification costs are only paid up until revenue operations day for capital projects.
- Failure to withhold 10% on one time or final invoices.

### **Completion of Invoicing**

- Keep records of invoices received, dollars disallowed, dollars left over and sign and fax copy of Invoice Certification Form to HQ Accounting and the local agency.

### 5.1.3 Project Closeout Final Invoice

#### Project Close-Out Procedure

The local agency is responsible for implementation and administration of the project and technical control of the work consistent with Department policies, procedures and performance standards. A local agency is required to submit a completed and signed Request For Project Close Out form to the District office within 30 days of the project's completion.

Upon receiving the request the District will make arrangements for final inspections for project close out. The District has the overall authority and responsibility for project monitoring and final inspections for project close out procedures. Inspections of the project by designated Department staff is to ensure that contractor work complies with and conforms to the scope of work and/or to identify any deviations from the original approved project FTA, or Program Supplement.

#### Steps

A local agency shall complete Section I of the attached Request for Project Close-Out and submit it to the District office for each project.

1. Upon receiving a Request For Project Close Out form, from a local agency, the District project administrator should check items listed on Section I on the form for accuracy preferably in the presence of a local agency project manager.
2. The local agency must make available all information including documentation to the District project administrator related to the proposed project for close out.
3. The District project administrator shall perform a final inspection prior to filling out Section II, to make sure that the project is completed satisfactorily and as planned. Final inspections should be completed within 30 days of the request.
4. District should document that the actual financial plan resulted in the original shared contribution (percentages) of local agency and other funds being provided to the project.
5. Completion of Section II by the District staff confirms that the project was completed as programmed and in accordance with the scope of work (FTA) and overall financial plan which has been agreed to between the local agency and Caltrans.

The District project administrator will sign the form, provide the pink copy to the local project agency and attach a copy of the final payment and the total amount of payments invoiced for the project to the remaining copies and submit it to the Division of Rail.

## **Project Completion**

Upon acceptance of a completed project and final payment to the contractor, the local agency is responsible for preparing and submitting to Caltrans the final report documents, including the final invoice, which collectively constitute a Report of Expenditures or Project Close-Out Report. These reports provide key information required to initiate timely project closure and payment. The Project Close-Out Report is referenced in the FTA, Article III, Payment, Section 5 and Article V, General Provisions, Section 18l. A sample copy of the Report is provided in the reference section of this manual.

Caltrans will review the completed project and verify that it was completed in accordance with the scope and description of the project authorization documents before processing the final invoice. The agency is responsible for maintaining written source document records that identify agency costs and project developments payments made to consultants, vendors and contractors. Contract records must be retained by the local agency for a minimum period of three years from the date of final payment.

## **Cost Savings**

The cost savings policy allows a local agency to apply to have state funds remaining from a completed project to be credited to another agreed upon high priority project or enhancement on the same corridor, via a resolution from the Commission acknowledging the cost savings and approving the proposed use of these savings.

The Commission established this incentive program to encourage project cost savings. The cost savings between the amount programmed and the final engineering estimate delivered for Commission vote. Whenever the proposed use for project cost savings is identified at the time of Commission allocation of funds to project construction, the Commission treats that identification as the required 30-day Notice of Proposed STIP amendment, so that a STIP amendment using project cost savings can be approved at the following Commission meeting. The Reference Resolution G-96-24 (Amending Resolution G-93-1) dated October 16, 1996, Reinstatement of Project Cost Savings incentive policy and Authorization for Use of Savings is provided in the reference of this manual.

## **Payment**

Once a month, at least quarterly, the recipient will prepare and submit to the state (directed to the attention of the appropriate Caltrans District Transportation Representative) Progress Payment Vouchers for actual project costs incurred and paid for by the Recipient consistent with the Scope of Work document. Advance reimbursement or payments are not allowed. The Recipient must not only have incurred the expenditures, but must have also paid for them. Each voucher will report the total expenditures from all sources and will specify the percent of state reimbursement requested and the fund source. The voucher should also summarize state money requested by category (right of way, construction, rolling stock, or private activity usage)

and be accompanied by a report describing the overall work status and progress on project tasks.

If applicable, the first voucher shall also be accompanied by a report. This report shall describe any tasks specified in the Scope of Work document, which were accomplished prior to the effective date of the FTA. The costs are to be credited toward the required local contribution described in Article III, Section 1 of the provisions of the FTA pursuant to any applicable prior executed Agreement for Local match Fund Credit between the Recipient and the State.

### **Retention**

The State will retain (10%) of the State grant funds from the Recipient's final invoice or one time payment until the State has evaluated the Recipient's performance and made a determination that all contract FTA or Program Supplement requirements have been satisfactorily fulfilled.

Reimbursement and credits for local matching funds credits (excluding SB 2800 expenditures) will be made or allowed (unless permitted as project expenditures pursuant to an executed Agreement for Local match Fund Credit) only for work performed after the Effect Date of the FTA and prior to the Termination Date. The Recipient must complete both the work to be reimbursed and the actual payment for which reimbursement is sought within 36 months following the "Effective Date of the 3<sup>rd</sup> Party Contract" and, in no event, later than the termination date of the FTA.

The Termination Date refers to the last date for Recipient to incur valid Project costs or credits and is the date the FTA expires. The Recipient submits a Project Close-Out Report and the Project final invoice. The Recipient has 180 days after contract acceptance to make final payment to a contractor or vendor, prepare the Project Closeout Report, and submit the final invoice to Caltrans for reimbursement.

## 5.1.4 ACCOUNTING AND AUDITING

### A. Accounting System

Contractors (whether a prime or subcontractor) planning to contract with Caltrans must have all accounting system which meets the following objectives:

- The ability to record and report financial data in accordance with generally accepted accounting principles.
- A system of record keeping to ensure that costs billed to Caltrans are:
  - a. Supported by adequate documentation.
  - b. In compliance with the terms of the contract and applicable Federal-State regulations specified in the contract.
- A system of record keeping ideally includes the following:
  - a. General ledger
  - b. Job cost ledger
  - c. Labor distributions
  - d. Time records
  - e. Subsidiary journals
  - f. Chart of accounts
  - g. Financial statements
- The ability to accumulate and segregate reasonable, allocable (incurred solely for a project) and allowable (per terms of the contract) costs through the use of a cost accounting system. The following are some of the attributes which would ideally be found in such a system:
  - a. A chart of accounts which includes indirect and direct general ledger accounts. Indirect costs are not specifically identified to a project, for example , rent and/or utilities. Direct costs are specifically identified with a project, for example, drafting hour and/or design hours.
  - b. Segregation of costs by contract, category of cost and milestones (if applicable).
  - c. Proper recording of direct and indirect costs. For example, recording of labor costs should provide that non-project indirect hours be recorded on a time sheet and in the accounting records to an administration, vacation, sick leave or other indirect cost account/code. Direct project hours should be recorded

on a time sheet and in the accounting records to a direct project cost account/code.

- d. Consistent accounting treatment of costs in recording and reporting. For example, if travel expense is charged directly to a project, all travel expense incurred on any project should be considered a direct costs. As a result, project-related travel, whether reimbursable per the contract terms or not, should be included as a direct cost.
  - e. Ability to trace from invoices submitted to Caltrans to job cost records and original, approved source documents, for example, time sheets, vendor invoices, cancelled checks.
  - f. Ability to reconcile job costs records to the accounting records.
- Compliance with cost principles described in the Code of Federal Regulations 48, Federal Acquisition Regulations System (FAR), Chapter I, Part 31. Information on how to obtain this regulation is described under "Audit Criteria" on the following page.
  - Procedures to monitor and adjust projected overhead rates to actual rates.
  - Controls to ensure that written approval is obtained prior to any changes to the contract.
  - Procedures to retain accounting records and source documentation as required by the terms of the contract.
  - A system of internal control which provides reasonable assurance that assets are protected: financial data, records and statements are reliable; and errors and irregularities are promptly discovered, reported and corrected. The elements of a system of internal control should include, but not be limited to, the following:
    - a. Separation of duties for proper protection of assets. Incompatible duties are those that place any person in a position to both perpetrate and conceal errors or irregularities in the normal course of business. For example, the person who writes checks should be different from the person who reconciles bank statements and the person who purchases goods should be different from the person who receives goods.
    - b. Limiting access to assets to only authorized personnel who require these assets in the performance of their assigned duties. For example, blank check stock should be locked in safe when not in use.
    - c. Authorization and record keeping procedures which provide effective accounting control over assets, liabilities, revenues, and expenditures.

- d. A system of practices to be followed in the performance of duties and functions. Such a system normally includes policies and procedures which establish the purpose and requirements of the accounting system. For example, timekeeping practices should ideally provide for the following:
- Time sheets be prepared, signed and dated by all employees.
  - Time sheets be completed in non-erasable ink.
  - Time sheet corrections be crossed out and initialed by the employee.
  - Time sheets be signed by a supervisor as reviewed and retained on file as required by the contract.
- e. Personnel with skills and training commensurate with their responsibilities.
- f. A system of internal review. For example, blank reconciliation's and travel expense claims should be reviewed, approved, and signed by a supervisor.

Contractors, whether a prime or subcontractor, performing under a negotiated contract with Caltrans are subject to the following audits.

**Preward Audits:** Prior to the award of a contract, Caltrans Audits and Investigations will conduct a preaward audit to determine if the contract's accounting system is adequate to accumulate and segregate costs as detailed in the previous section and to determine if the proposed costs are reasonable. The audit alerts both the contractor and Caltrans management to problems relative to the contractor's cost proposal and cost accounting system. Due to time constraints in the award process, your cooperation in scheduling the preaward audit with short notice will expedite the execution of your contract.

**Interim Audits:** Interim audits are performed on an as needed basis. During the preaward audit, if it is determined that the contractor's accounting system is new or minor deficiencies are noted, an interim audit is scheduled to determine that the system is functioning adequately to ensure that billed costs are supported and that any deficiencies were corrected. An interim audit may be requested by the contract administrator or by Caltrans management to address concerns during the course of the contract. Also, an audit manager may initiate an interim audit of a multi-year contract to ensure that costs reimbursed to date are allowable.

**Post Audits:** Post audits contracts are performed routinely after project completion. Post audits are performed to determine whether the costs claimed are allowable, allocable reasonable, and in compliance with the Federal and State law and regulations, as well as the fiscal provisions stipulated in the contract. The examination includes reviews of applicable laws and regulations, the contract requirements and the contractor's internal

control system. Audit tests of the contractor's accounting records and other auditing procedures considered necessary will also be performed. Applications of all audit procedures would also be governed by the individual contract under audit. Unsupported or unallowable costs are normally the result of weaknesses in the accounting system and will be reimbursed to Caltrans.

To provide contractors with a procedure for obtaining prompt and equitable resolution to a dispute arising from a post audit of a non-highway construction cost reimbursement contract, Caltrans has established an Audit Review Committee (ARC). Information explaining the ARC should be found in your contract and/or as an attachment to the post audit report.

Note: For assistance in establishing an accounting system which will meet the objectives outlined in this manual, you should contact an accountant and/or bookkeeper who is familiar with cost accounting systems.

Website information is as follows:

*California State Administrative Manual* <http://sam.dgs.ca.gov/sam.htm>

*Federal Acquisition regulation* <http://www.arnet.gov/far/>

*For specific information regarding basic cost accounting systems and applicable State and Federal regulations, please see the following:*

***Code of Federal Regulations 48, Federal Acquisition Regulations System, Chapter I, Part 31:*** This regulation contains cost principles and procedure for the pricing of contracts/subcontracts and the determination, negotiation, or allowance of costs.  
Contact:

*Superintendent of Documents  
Government Printing Office  
Washington, DC 20402*

*Washington, D.C. (202) 512-1800  
San Francisco (415) 512-2770  
Los Angeles (213) 239-9844*

***California State Administrative Manual:*** A reference source for statewide policies, procedures, regulations and information. Contract:

*Office of State Publishing  
Department of General Services  
Call for order form: (916) 445-2295*

*For review of the above references, contact your local library or the California State Library.*

*California State Library  
Library and Courts Building  
914 Capitol Mall, P.O. Box 942837  
Sacramento, CA 94237-0001  
Information: (916) 654-0261*

### **Consultant Preaward Audit Requirements**

The following includes the current consultant pre-award requirements that is implemented at Caltrans:

Preaward audits are required for all engineering and design related service contracts (and subcontracts) more than \$75,000 financed with State or Federal-aid funds. The objective of the audit is to:

- Determine if the consultant agreement specifically provides for the following:
- Three year record retention period and right to audit Method of payment.
- Reference to cost principles set for in CFR Chapter 1, Part 31 for allow ability of individual items of cost; 49 CFR, Part 18 for administrative procedures; and OMB Circular A-110, which are administrative procedures for nonprofit subrecipients.
- Determine if the consultant's cost proposal contains a breakdown of the estimate for performing the work, and that the proposed costs are reasonable in relation to actual historical costs and estimating procedures.
- Determine if the Consultant's cost accounting system is capable of accumulating reasonable, allocable, and allowable costs.

It is Caltrans' policy to apply the federal preaward audit guidelines regardless of the source of funding.

Procedures for administering the audit (as noted in the above three bullets) are described in the Local Programs Procedure (LPP) 99-02 "Interim Preaward Audit Requirements". This information is located in the "Procedures for Administering Local Grant Projects in the STIP", Page 19, Consultant Preaward Audit Requirements, dated April 1, 1999. These procedures comply with changes to the programming and funding statutes brought about by Chapter 622 of the Statutes of 1997 (SB 45, Kopp). At the discretion of the local agency, either Caltrans or the local agency shall perform (or contract to perform) the required preaward audit of a consultant contract. On consultant (and sub-consultant) contracts less than \$250,000, a pre-award audit may not be required if a preaward audit was conducted on the consultant within the last 12 months by any local, State (including Caltrans) or federal agency and other conditions, as described in the LPP, are met.

## **Reimbursement**

All reimbursements for expenditures and costs are subject to the allocated funds being appropriated in the State budget approved by the Governor, and with the execution of an FTA, or Program Supplement. In no case are reimbursements to exceed the amount of funds allocated by the Commission. Reimbursements are not allowed for work, which is not included in the approved agreements with Caltrans. All reimbursed costs must be supported by an invoice documenting expenditures and costs.

## **Start of Reimbursable Work**

For State funded projects, the date for the start of reimbursable work is the date of the Commission allocation resolution (or Caltrans' approval date of those requests that meet the delegation of allocation authority conditions). Actual reimbursement of eligible work cannot occur until the local agency and Caltrans have executed the FTA, or Program Supplement.

After the Commission allocates the funds and the start of reimbursable work has been authorized, the following actions must be completed before the local agency can actually be reimbursed for the work:

- Appropriation of funds in the Budget Act. Funds for the new regional Improvement Program must be appropriated by the Legislature in the Budget Act before they may be encumbered.
- Project specific agreement(s) is/are prepared and executed. This must be in place to encumber funds for a project in the State accounting system and to allow payments to be made to the local agency. Caltrans will prepare an FTA, or Program Supplement and submit it to the local agency for signature upon notification that the Commission has allocated the funds.
- For federally funded Rail/Transit projects, the local agency enters into an agreement with FTA for reimbursement of Federal funds. The FTA prepared by Caltrans only covers the reimbursement for the State matching funds. If the local agency provides the match and receives 100% federal STIP funding, this agreement will not be required.
- The local agency will be reimbursed for eligible participating costs in arrears upon submittal of progress invoices to Caltrans for expenditures actually made. The local agency must invoice Caltrans for reimbursement in accordance with the timely use of funds deadlines. Invoices shall be submitted no more frequently than monthly to minimize the administrative costs to the State and local agency. Invoices shall not be submitted until the local agency receives the fully executed FTA, or Program Supplement for Rail/Transit projects. Progress invoices will be submitted to Caltrans District Public Transportation or Planning Programs.

**Memorandum of Understanding**

If the Recipient has a valid Memorandum of Understanding (MOU) for “Expedited Payment” on file with the State Department of Transportation Accounting Service Center, the Recipient will, not more frequently than as authorized by that MOU, prepare and submit to the State, an Expedited Payment invoice for reimbursements that are consistent with that MOU and the Scope of Work document. A sample of an MOU is listed in the reference section of this manual.

The Recipient, its contractors and subcontractors shall establish and maintain an accounting system and records that properly accumulate and segregate incurred Project costs and matching funds by line item for the Project. Recipient’s contractor’s and subcontractor’s accounting systems shall conform to Generally Accepted Accounting Principles (GAAP), enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment, vouchers or invoices.



## **TECHNICAL APPENDICES**

For your reference, a Technical Appendices is being provided to assist you in the retrieval of hard copies of transit funding documents, guidelines, resolutions, and/or other materials. The Technical Appendices will be featured in a separate binder.

## **ACRONYMS**

CAAA – Clean Air Act Amendments

CADD – Computer Aided Design and Drafting

Cal/EPA – California Environmental Protection Agency

CCAA – California Clean Air Act

Caltrans – California Department of Transportation

CATIA – Clean Air and Transportation Improvement Act (Proposition 116)

CEQA – California Environmental Quality Act

CMAQ – Congestion Mitigation and Air Quality

COG – Council of Governments

CMP – Congestion Management Program

CTC – California Transportation Commission

EA – Expenditure Authorization

FCAA – Federal Clean Air Act

FTIP – Federal Transportation Improvement Program

FHWA – United State Federal Highway Administration

FSTIP – Federal State Transportation Improvement Program

FTA – Federal Transit Administration

FTA – Fund Transfer Agreement

IIP – Interregional Improvement Program

ISTEA – Intermodal Surface Transportation Efficiency Act

ITIP – Interregional Transportation Improvement Program

DMT – Division of Mass Transportation

NCRA – North Coast Railroad Authority

NEPA – National Environmental Protection Agency

OPAC – Office of Procurement and Contracts

OSTPD – Office of State Transit Project Delivery

OSTPM – Office of State Transit Program Management

PA – Project Approval

PS&E – Plans, Specifications, and Estimates

PSR – Project Study Report

RIP – Regional Improvement Program

RTIP – Regional Transportation Improvement Program

RTP – Regional Transportation Plan

RTPA – Regional Transportation Planning Agency

SACOG – Sacramento Area Council of Governments

SHOPP – State Highway Operations Program

SCAG – Southern California Association of Governments

STIP – State Transportation Improvement Program

TCRP – Transportation Congestion Relief Program

TDM – Transportation Demand Management

TEA – Transportation Equity Act

TCI – Transit Capital Improvement Program

USEPA – United States Environmental Protection Agency

USDOT – United States Department of Transportation

## WEBSITES

### **RTP Guidelines**

<http://www.dot.ca.gov/hq/tpp/offices/orip/rtp/contents.html>

### **STIP Guidelines**

<http://www.dot.ca.gov/hq/transprog/stip.htm>

### **Federal Transit Administration**

<http://www.fta.dot.gov>

### **Federal Highway Administration**

<http://www.fhwa.dot.gov/programs.html>

### **Environmental Protection Agency**

<http://www.epa.gov>

### **California State Administrative Manual**

<http://sam.dgs.ca.gov/sam.htm>

### **Federal Acquisition Regulation**

<http://www.arnet.gov/far/>

### **Bill Information**

<http://leginfo.ca.gov/bilinfo.htm>

### **Guidelines for Caltrans Right of Way Review Process (for Rail Projects)**

<http://www.dot.ca.gov/hq/row>

### **Caltrans Transportation Programming**

<http://www.dot.ca.gov/hq/transprog>

### **California Transportation Commission (CTC)**

<http://www.catc.ca.gov/Reports.htm>

### **Department of Transportation "Caltrans Gets You There"**

<http://www.dot.ca.gov/index.htm>

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## Division of Mass Transportation

